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Democratic party. National committee, 1876-1880.

THE CAMPAIGN TEXT BOOK.

WHY THE PEOPLE WANT A CHANGE.

THE REPUBLICAN PARTY REVIEWED:

Its Sins of Commission and Omission.

A SUMMARY OF THE LEADING EVENTS IN OUR HISTORY UNDER REPUBLICAN ADMINISTRATION.

NEW YORK:
1876.

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THE DEMOCRATIC PLATFORM.

Adopted by the National Democratic Convention, held at St. Louis, June 28, 1876.

REFORM A PATRIOTIC DUTY.

We, the delegates of the Democratic party of the United States in National Convention assembled, do hereby declare the administration of the Federal Government to be in urgent need of immediate **Reform**; do hereby enjoin upon the nominees of this Convention, and of the Democratic party in each State, a zealous effort and co-operation to this end, and do hereby appeal to our fellow citizens of every former political connection, to undertake with us this first and most pressing patriotic duty.

THE UNION AND CONSTITUTION.

For the Democracy of the whole country, we do here reaffirm our faith in the permanence of the Federal Union, our devotion to the Constitution of the United States with its amendments universally accepted as a final settlement of the controversies that engendered civil war, and do here record our steadfast confidence in the perpetuity of Republican self-government.

NOBLE PRODUCTS OF A HUNDRED YEARS.

In absolute acquiescence in the will of the majority—the vital principle of Republics;

In the supremacy of the civil over the military authority;

In the total separation of Church and State, for the sake alike of civil and religious freedom.

In the equality of all citizens before just laws of their own enactment;

In the liberty of individual conduct, unvexed by sumptuary laws;

In the faithful education of the rising generation, that they may preserve, enjoy and transmit these best conditions of human happiness and hope;

We behold the noblest products of a hundred years of changeful history;

But, while upholding the bond of our Union and great Charter of these our rights, it behooves a free people to practise also that eternal vigilance which is the price of Liberty.

MISRULE AND HARD TIMES.

Reform is necessary to rebuild and establish in the hearts of the whole people, the Union, eleven years ago happily rescued from the danger of a Secession or States; but now to be saved from a corrupt Centralism, which, after inflicting upon ten States the rapacity of carpet-bag tyrannies, has honey-combed the offices of the Federal Government itself with incapacity, waste and fraud; infected States and municipalities with the contagion of misrule, and locked fast the prosperity of an industrious people in the paralysis of "Hard Times."

HARD MONEY.

Reform is necessary to establish a sound currency, restore the public credit and maintain the national honor.

We denounce the failure for all these eleven years of peace to make good the promise of the legal tender notes, which are a changing standard of value in the hands of the people, and the non-payment of which is a disregard of the plighted faith of the nation.

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We denounce the improvidence which, in eleven years of peace, has taken from the people, in Federal taxes, thirteen times the whole amount of the legal-tender notes, and squandered four times their sum in useless expense, without accumulating any reserve for their redemption.

RETRENCHMENT AND RESUMPTION.

We denounce the financial imbecility and immorality of that party which, during eleven years of peace, has made no advance towards resumption—no preparation for resumption—but instead has obstructed resumption by wasting our resources and exhausting all our surplus income; and, while annually professing to intend a speedy return to specie payments, has annually enacted fresh hindrances thereto. As such a hindrance we denounce the Resumption clause of the Act of 1875, and demand its repeal.

We demand a judicious system of preparation by public economies, by official retrenchments and by wise finance, which shall enable the nation soon to assure the whole world of its perfect ability and its perfect readiness to meet any of its promises at the call of the creditor entitled to payment.

We believe such a system, well devised, and, above all, entrusted to competent hands for execution, creating at no time an artificial scarcity of currency, and at no time alarming the public mind into a withdrawal of that vaster machinery of credit by which 95 per cent. of all business transactions are performed—a system open, public and inspiring general confidence, would from the day of its adoption bring healing on its wings to all our harassed industries, set in motion the wheels of commerce, manufactures and the mechanic arts, restore employment to labor, and renew in all its natural sources the prosperity of the people.

REFORM IN FEDERAL TAXATION.

Reform is necessary in the sum and modes of Federal Taxation, to the end that capital may be set free from distrust and labor lightly burdened.

We denounce the present Tariff, levied upon nearly 4,000 articles, as a masterpiece of injustice, inequality and false pretense.

It yields a dwindling, not a yearly rising, revenue.

It has impoverished many industries to subsidize a few.

It prohibits imports that might purchase the products of American labor.

It has degraded American commerce from the first to an inferior rank on the high seas.

It has cut down the sales of American manufactures at home and abroad, and depleted the returns of American agriculture—an industry followed by half our people.

It costs the people five times more than it produces to the treasury, obstructs the processes of production and wastes the fruits of labor.

It promotes fraud, fosters smuggling, enriches dishonest officials, and bankrupts honest merchants.

We demand that all Custom House taxation shall be only for Revenue.

REFORM IN PUBLIC EXPENSE.

Reform is necessary in the scale of Public Expense—Federal, State and Municipal.

Our Federal taxation has swollen from 60 millions gold, in 1860, to 450 millions currency, in 1870; our aggregate taxation from 154 millions gold, in 1860, to 730 millions currency, in 1870, or in one decade from less than $5 per head to more than $18 per head.

Since the peace, the people have paid to their tax gatherers more than thrice the sum of the national debt, and more than twice that sum for the Federal Government alone. We demand a rigorous frugality in every department, and from every officer of the government.

THE PROFLIGATE WASTE OF PUBLIC LANDS.

Reform is necessary to put a stop to the profligate waste of public lands and their diversion from actual settlers by the party in power, which has squandered 200 millions of acres upon railroads alone, and out of more than thrice that aggregate has disposed of less than a sixth directly to tillers of the soil.

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THE SHIELD OF AMERICAN CITIZENSHIP.

Reform is necessary to correct the omissions of a Republican Congress, and the errors of our treaties and our diplomacy, which have stripped our fellow citizens of foreign birth and kindred race recrossing the Atlantic, of the shield of American citizenship, and have exposed our brethren of the Pacific coast to the incursions of a race not sprung from the same great parent stock, and in fact now by law denied citizenship through naturalization as being neither accustomed to the traditions of a progressive civilization nor exercised in liberty under equal laws.

We denounce the policy which thus discards the liberty-loving German and tolerates the revival of the coolie trade in Mongolian women imported for immoral purposes, and Mongolian men, hired to perform servile labor contracts, and demand such a modification of the treaty with the Chinese Empire, or such legislation by Congress within constitutional limitations as shall prevent the further importation or immigration of the Mongolian race.

SECTARIAN STRIFE AND SECTIONAL HATE.

Reform is necessary and can never be effected but by making it the controlling issue of the elections, and lifting it above the two false issues with which the officeholding class and the party in power seek to smother it.

1. The false issue with which they would enkindle sectarian strife in respect to the public schools, of which the establishment and support belong exclusively to the several States, and which the Democratic party has cherished from their foundation, and is resolved to maintain without prejudice or preference for any class, sect or creed, and without contributions from the treasury to any.

2. The false issue by which they seek to light anew the dying embers of sectional hate between kindred peoples once estranged, but now reunited in one indivisible republic and a common destiny,

CIVIL SERVICE.

Reform is necessary in the Civil Service. Experience proves that efficient, economical conduct of the govermental business is not possible if its civil service be subject to change at every election, be a prize fought for at the ballot-box, be a brief reward of party zeal, instead of posts of honor assigned for proved competency, and held for fidelity in the public employ: that the dispensing of patronage should neither be a tax upon the time of all our public men, nor the instrument of their ambition. Here again promises falsified in the performance attest that the party in power can work out no practical or salutary reform.

OFFICIAL CRIMES AND MISDEMEANORS.

Reform is necessary even more in the higher grades of the public service. President, Vice-President, Judges, Senators, Representatives, Cabinet officers, these and all others in authority are the people's servants. Their offices are not a private perquisite; they are a public trust.

When the annals of this Republic show the disgrace and censure of a Vice-President;

A late Speaker of the House of Representatives marketing his rulings as a presiding officer;

Three Senators profiting secretly by their votes as law-makers;

Five chairmen of the leading committees of the late House of Representatives exposed in jobbery;

A late Secretary of the Treasury forcing balances in the public accounts;

A late Attorney-General misappropriating public funds;

A Secretary of the Navy enriched or enriching friends by percentages levied off the profits of contractors with his department;

A Minister to England censured in a dishonorable speculation;

The President's Private Secretary barely escaping conviction upon trial for guilty complicity in frauds upon the revenue;

A Secretary of War impeached for high crimes and misdemeanors;

The demonstration is complete that the first step in reform must be the people's choice of honest men from another party, lest the disease of one political organization infect the body politic, and lest by making no change of men or parties we get no change of measures and no real reform.

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REPUBLICAN REFORM IMPOSSIBLE.

All the abuses, wrongs and crimes, the product of sixteen years' ascendancy of the Republican party, create a necessity for reform confessed by Republicans themselves; but their reformers are voted down in Convention and displaced from the Cabinet. The party's mass of honest voters is powerless to resist the 80,000 officeholders, its leaders and guides.

A CIVIC REVOLUTION NECESSARY.

Reform can only be had by a peaceful Civil Revolution.

We demand a change of system, a change of administration, a change of parties, that we may have *a change of measures and of men.*

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GOV. TILDEN'S LETTER OF ACCEPTANCE.

ALBANY, July 31st, 1876.

GENTLEMEN: When I had the honor to receive a personal delivery of your letter on behalf of the Democratic National Convention, held on the 28th of June, at St. Louis, advising me of my nomination as the candidate of the constituency represented by that body for the office of President of the United States, I answered that, at my earliest convenience, and in conformity with usage, I would prepare and transmit to you a formal acceptance. I now avail myself of the first interval in unavoidable occupations to fulfill that engagement.

The Convention, before making its nominations, adopted a declaration of principles, which, as a whole, seems to me a wise exposition of the necessities of our country, and of the reforms needed to bring back the government to its true functions, to restore purity of administration and to renew the prosperity of the people. But some of these reforms are so urgent that they claim more than a passing approval.

REFORM IN PUBLIC EXPENSE.

The necessity of a reform "in the scale of public expense—Federal, State and Municipal,"—and "in the modes of Federal taxation," justifies all the prominence given to it in the Declaration of the St. Louis Convention.

The present depression in all the business and industries of the people, which is depriving labor of its employment, and carrying want into so many homes, has its principal cause in excessive governmental consumption. Under the illusions of a specious prosperity, engendered by the false policies of the federal government, a waste of capital has been going on ever since the peace of 1865, which could only end in universal disaster.

The federal taxes of the last eleven years reach the gigantic sum of 4,500 millions. Local taxation has amounted to two-thirds as much more. The vast aggregate is not less than 7,500 millions.

This enormous taxation followed a civil conflict that had greatly impaired our aggregate wealth, and had made a prompt reduction of expenses indispensable.

It was aggravated by most unscientific and ill-adjusted methods of taxation that increased the sacrifices of the people far beyond the receipts of the treasury.

It was aggravated, moreover, by a financial policy which tended to diminish the energy, skill and economy of production, and the frugality of private consumption, and induced miscalculation in business and an unremunerative use of capital and labor.

Even in prosperous times, the daily wants of industrious communities press closely upon their daily earnings. The margin of possible national savings is at best a small percentage of national earnings. Yet now for these eleven years governmental consumption has been a larger proportion of the national earnings than the whole people can possibly save even in prosperous times for all new investments.

The consequence of these errors are now a present public calamity. But they were never doubtful, never invisible. They were necessary and inevitable, and were foreseen and depicted when the waves of that fictitious prosperity ran highest. In a speech made by me on the 24th of September, 1868, it was said of these taxes:

"They bear heavily upon every man's income, upon every industry and every business in the country, and year by year they are destined to press still more heavily, unless we arrest the system that gives rise to them. It was comparatively easy when

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values were doubling under repeated issues of legal tender paper money, to pay out of the froth of our growing and apparent wealth these taxes, but when values recede and sink towards their natural scale, the tax-gatherer takes from us not only our income, not only our profits, but also a portion of our capital. * * * I do not wish to exaggerate or alarm; I simply say that we cannot afford the costly and ruinous policy of the Radical majority of Congress. We cannot afford that policy towards the South. We cannot afford the magnificent and oppressive centralism into which our government is being converted. We cannot afford the present magnificent scale of taxation."

To the Secretary of the Treasury, I said, early in 1865:

"There is no royal road for a government more than for an individual or a corporation. What you want to do now is to cut down your expenses and live within your income. I would give all the legerdemain of finance and financiering—I would give the whole of it for the old, homely maxim, Live within your income."

This reform will be resisted at every step, but it must be pressed persistently. We see to-day the immediate representatives of the people in one branch of Congress, while struggling to reduce expenditures, compelled to confront the menace of the Senate and the Executive that unless the objectionable appropriations be consented to, the operations of the government thereunder shall suffer detriment or cease. In my judgment, an amendment of the Constitution ought to be devised separating into distinct bills the appropriations for the various departments of the public service, and excluding from each bill all appropriations for other objects, and all independent legislation. In that way alone can the revisory power of each of the two houses and of the Executive be preserved and exempted from the moral duress which often compels assent to objectionable appropriations, rather than stop the wheels of the government.

THE SOUTH.

An accessory cause enhancing the distress in business is to be found in the systematic and insupportable misgovernment imposed on the States of the South. Besides the ordinary effects of ignorant and dishonest administration, it has inflicted upon them enormous issues of fraudulent bonds, the scanty avails of which were wasted or stolen, and the existence of which is a public discredit, tending to bankruptcy or repudiation. Taxes, generally oppressive, in some instances have confiscated the entire income of property, and totally destroyed its marketable value. It is impossible that these evils should not react upon the prosperity of the whole country.

The nobler motives of humanity concur with the material interests of all in requiring that every obstacle be removed, to a complete and durable reconciliation between kindred populations once unnaturally estranged, on the basis recognized by the St. Louis platform, of the "Constitution of the United States, with its amendments universally accepted as a final settlement of the controversies which engendered civil war."

But, in aid of a result so beneficent, the moral influence of every good citizen, as well as every governmental authority, ought to be exerted, not alone to maintain their just equality before the law, but likewise to establish a cordial fraternity and good will among citizens, whatever their race or color, who are now united in the one destiny of a common self-government. If the duty shall be assigned to me, I should not fail to exercise the powers with which the laws and the constitution of our country clothe its chief magistrate, to protect all its citizens, whatever their former condition, in every political and personal right.

CURRENCY REFORM.

"Reform is necessary," declares the St. Louis Convention, "to establish a sound currency, restore the public credit and maintain the national honor;" and it goes on to "demand a judicious system of preparation by public economies, by official retrenchments, and by wise finances, which shall enable the nation soon to assure the whole world of its perfect ability and its perfect readiness to meet any of its promises at the call of the creditor entitled to payment."

The object demanded by the Convention is a resumption of specie payments on the legal tender notes of the United States. That would not only "restore the public credit" and "maintain the national honor," but it would "establish a sound currency" for the people.

The methods by which this object is to be pursued, and the means by which it is to be attained, are disclosed by what the Convention demanded for the future, and by what it denounced in the past.

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BANK NOTE RESUMPTION.

Resumption of specie payments by the Government of the United States on its legal tender notes would establish specie payments by all the banks on all their notes. The official statement, made on the 12th of May, shows that the amount of the bank notes was 300 millions, less 20 millions held by themselves. Against these 280 millions of notes, the banks held 141 millions of legal tender notes, or a little more than fifty per cent. of their amount. But they also held on deposit in the Federal Treasury, as security for these notes, bonds of the United States, worth in gold, about 360 millions, available and current in all the foreign money markets. In resuming, the banks, even if it were possible for all their notes to be presented for payment, would have 500 millions of specie funds to pay 280 millions of notes, without contracting their loans to their customers, or calling on any private debtor for payment. Suspended banks undertaking to resume, have usually been obliged to collect from needy borrowers the means to redeem excessive issues and to provide reserves. A vague idea of distress is, therefore, often associated with the process of resumption. But the conditions which caused distress in those former instances do not now exist.

The government has only to make good its own promises and the banks can take care of themselves without distressing anybody. The government is, therefore, the sole delinquent.

LEGAL-TENDER RESUMPTION.

The amount of the legal-tender notes of the United States now outstanding is less than 370 millions of dollars, besides 34 millions of dollars of fractional currency. How shall the government make these notes at all times as good as specie?

It has to provide, in reference to the mass which would be kept in use by the wants of business, a central reservoir of coin, adequate to the adjustment of the temporary fluctuations of international balances, and as a guaranty against transient drains artificially created by panic or by speculation.

It has also to provide for the payment in coin of such fractional currency as may be presented for redemption, and such inconsiderable portions of the legal tenders as individuals may, from time to time, desire to convert for special use, or in order to lay by in coin their little stores of money.

RESUMPTION NOT DIFFICULT.

To make the coin now in the treasury available for the objects of this reserve, to gradually strengthen and enlarge that reserve, and to provide for such other exceptional demands for coin as may arise, does not seem to me a work of difficulty. If wisely planned and discreetly pursued, it ought not to cost any sacrifice to the business of the country. It should tend, on the contrary, to a revival of hope and confidence. The coin in the treasury on the 30th of June, including what is held against coin certificates amounted to nearly 74 millions. The current of precious metals which has flowed out of our country for the eleven years from July 1, 1865, to June 30, 1876, averaging nearly 76 millions a year was 832 millions in the whole period, of which 617 millions were the product of our own mines.

To amass the requisite quantity, by intercepting from the current flowing out of the country, and by acquiring from the stocks which exist abroad without disturbing the equilibrium of foreign money markets, is a result to be easily worked out by practical knowledge and judgment.

With respect to whatever surplus of legal tenders the wants of business may fail to keep in use, and which, in order to save interest, will be returned for redemption, they can either be paid or they can be funded. Whether they continue as currency, or be absorbed into the vast mass of securities held as investments, is merely a question of the rate of interest they draw. Even if they were to remain in their present form, and the government were to agree to pay on them a rate of interest, making them desirable as investments, they would cease to circulate and take their place with government, state, municipal and other corporate and private bonds, of which thousands of millions exist among us. In the perfect ease with which they can be changed from currency into investments lies the only danger to be guarded against in the adoption of general measures intended to remove a clearly ascertained surplus; that is, the withdrawal of any which are not a permanent excess beyond the wants of business. Even more mischievous would be any measure which affects the public imagination

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with the fear of an apprehended scarcity. In a community where credit is so much used, fluctuations of values and vicissitudes in business are largely caused by the temporary beliefs of men even before those beliefs can conform to ascertained realities.

AMOUNT OF NECESSARY CURRENCY.

The amount of the necessary currency, at a given time, cannot be determined arbitrarily, and should not be assumed on conjecture. That amount is subject to both permanent and temporary changes. An enlargement of it, which seemed to be durable, happened at the beginning of the civil war by a substituted use of currency in place of individual credits. It varies with certain states of business. It fluctuates with considerable regularity at different seasons of the year. In the autumn, for instance, when buyers of grain and other agricultural products begin their operations, they usually need to borrow capital or circulating credits by which to make their purchases, and want these funds in currency capable of being distributed in small sums among numerous sellers. The additional need of currency at such times is five or more per cent. of the whole volume, and, if a surplus beyond what is required for ordinary use does not happen to have been on hand at the money centres, a scarcity of currency ensues, and also a stringency in the loan market.

It was in reference to such experiences that, in a discussion of this subject, in my annual message to the New York Legislature of January 5, 1875, the suggestion was made that:

"The federal government is bound to redeem every portion of its issues which the public do not wish to use. Having assumed to monopolize the supply of currency, and enacted exclusions against everybody else, it is bound to furnish all which the wants of business require." * * * * "The system should passively allow the volume of circulating credits to ebb and flow, according to the ever-changing wants of business. It should imitate, as closely as possible, the natural laws of trade, which it has superseded by artificial contrivances." And in a similar discussion, in my message of January 4, 1876, it was said that resumption should be effected "by such measures as would keep the aggregate amount of the currency self-adjusting during all the process, without creating, at any time, an artificial scarcity, and without exciting the public imagination with alarms which impair confidence, contract the whole large machinery of credit, and disturb the natural operations of business."

MEANS OF RESUMPTION.

"Public economies, official retrenchments and wise finance" are the means which the St. Louis Convention indicates as provision for reserves and resumptions.

The best resource is a reduction of the expenses of the government below its income; for that imposes no new charge on the people.

If, however, the improvidence and waste which have conducted us to a period of falling revenues oblige us to supplement the results of economies and retrenchments by some resort to loans, we should not hesitate. The government ought not to speculate on its own dishonor, in order to save interest on its broken promises, which it still compels private dealers to accept at a fictitious par. The highest national honor is not only right, but would prove profitable. Of the public debt, 985 millions bear interest at six per cent. in gold, and 712 millions at five per cent. in gold. The average interest is 5.58 per cent.

A financial policy which should secure the highest credit, wisely availed of ought gradually to obtain a reduction of one per cent. in the interest on most of the loans. A saving of one per cent. on the average would be 17 millions a year in gold. That saving regularly invested at four and a half per cent. would, in less than thirty-eight years, extinguish the principal. The whole 1,700 millions of founded debt might be paid by this saving alone, without cost to the people.

PROPER TIME FOR RESUMPTION.

The proper time for resumption is the time when wise preparation shall have ripened into a perfect ability to accomplish the object with a certainty and ease that will inspire confidence, and encourage the reviving of business. The earliest time in which such a result can be brought about is the best. Even when the preparations shall have been matured, the exact date would have to be chosen with reference to the

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then existing state of trade and credit operations in our own country, the course of foreign commerce, and the condition of the exchanges with other nations. The specific measures and the actual date are matters of detail having reference to ever-changing conditions. They belong to the domain of practical administrative statesmanship. The captain of a steamer, about starting from New York to Liverpool, does not assemble a council over his ocean chart and fix an angle by which to lash the rudder for the whole voyage. A human intelligence must be at the helm to discern the shifting forces of the waters and the winds. A human hand must be on the helm to feel the elements day by day, and guide to a mastery over them.

PREPARATIONS FOR RESUMPTION.

Such preparations are everything. Without them, a legislative command fixing a day, an official promise fixing a day, are shams. They are worse—they are a snare and a delusion to all who trust them. They destroy all confidence among thoughtful men whose judgment will at last sway public opinion. An attempt to act on such a command or such a promise, without preparation, would end in a new suspension. It would be a fresh calamity, prolific of confusion, distrust and distress.

THE ACT OF JANUARY 14TH, 1875.

The Act of Congress of the 14th of January, 1875, enacted that, on and after the 1st of January, 1879, the Secretary of the Treasury shall redeem in coin the legal tender notes of the United States on presentation at the office of the assistant treasurer in the City of New York. It authorized the secretary "to prepare and provide for" such resumption of specie payments by the use of any surplus revenues not otherwise appropriated; and by issuing, in his discretion, certain classes of bonds.

More than one and a half of the four years have passed. Congress and the President have continued ever since to unite in acts which have legislated out of existence every possible surplus applicable to this purpose.

The coin in the treasury claimed to belong to the government, had, on the 30th of June, fallen to less than 45 millions of dollars as against 59 millions on the 1st of January, 1875, and the availability of a part of that sum is said to be questionable. The revenues are falling faster than appropriations and expenditures are reduced, leaving the treasury with diminishing resources. The secretary has done nothing under his power to issue bonds.

The legislative command, the official promise fixing a day for resumption, have thus far been barren. No practical preparations towards resumption have been made. There has been no progress. There have been steps backward.

There is no necromancy in the operations of government. The homely maxims of every-day life are the best standards of its conduct. A debtor who should promise to pay a loan out of surplus income, yet be seen every day spending all he could lay his hands on in riotous living, would lose all character for honesty and veracity. His offer of a new promise or his professions as to the value of the old promise, would alike provoke derision.

RESUMPTION PLAN OF THE ST. LOUIS PLATFORM.

The St. Louis platform denounces the failure for eleven years to make good the promise of the legal tender notes. It denounces the omission to accumulate "any reserve for their redemption." It denounces the conduct "which, during eleven years of peace, has made no advances towards resumption, no preparations for resumption, but instead has obstructed resumption, by wasting our resources and exhausting all our surplus income, and while professing to intend a speedy return to specie payments, has annually enacted fresh hindrances thereto." And having first denounced the barrenness of the promise of a day of resumption, it next denounces that barren promise as a "hindrance" to resumption. It then demands its repeal, and also demands the establishment of "a judicious system of preparation" for resumption. It cannot be doubted that the substitution of a "system of preparation," without the promise of a day, for the worthless promise of a day without a "system of preparation" would be the gain of the substance of resumption in exchange for its shadow.

Nor is the denunciation unmerited of that improvidence which, in the eleven years since the peace, has consumed 4,500 millions of dollars, and yet could not afford to

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give the people a sound and stable currency. Two and a half per cent. on the expenditures of these eleven years, or even less, would have provided all the additional coin needful to resumption.

RELIEF TO BUSINESS DISTRESS.

The distress now felt by the people in all their business and industries, though it has its principal cause in the enormous waste of capital occasioned by the false policies of our government, has been greatly aggravated by the mismanagement of the currency. Uncertainty is the prolific parent of mischiefs in all business. Never were its evils more felt than now. Men do nothing, because they are unable to make due calculations on which they can safely rely. They undertake nothing, because they fear a loss in everything they would attempt. They stop and wait. The merchant dares not buy for the future consumption of his customers. The manufacturer dares not make fabrics which may not refund his outlay. He shuts his factory and discharges his workmen. Capitalists cannot lend on security they consider safe, and their funds lie almost without interest. Men of enterprise who have credit, or securities to pledge, will not borrow. Consumption has fallen below the natural limits of a reasonable economy. Prices of many things are under their range in frugal, specie-paying times before the civil war. Vast masses of currency lie in the banks unused. A year and a half ago the legal tenders were at their largest volume, and the twelve millions since retired have been replaced by fresh issues of fifteen millions of bank notes. In the meantime the banks have been surrendering about four millions a month, because they cannot find a profitable use for so many of their notes.

The public mind will no longer accept shams. It has suffered enough from illusions. An insincere policy increases distrust. An unstable policy increases uncertainty. The people need to know that the government is moving in the direction of ultimate safety and prosperity, and that it is doing so through prudent, safe and conservative methods, which will be sure to inflict no new sacrifice on the business of the country. Then the inspiration of new hope and well-founded confidence will hasten the restoring processes of nature, and prosperity will begin to return.

The St. Louis convention concludes its expression in regard to the currency by a declaration of its convictions as to the practical results of the system of preparations it demands. It says: "We believe such a system, well devised, and, above all, intrusted to competent hands for execution, creating at no time an artificial scarcity of currency, and at no time alarming the public mind into a withdrawal of that vaster machinery of credit by which ninety-five per cent. of all business transactions are performed—a system open, public, and inspiring general confidence would, from the day of its adoption, bring healing on its wings to all our harassed industries, set in motion the wheels of commerce, manufactures and the mechanic arts, restore employment to labor, and renew in all its natural sources the prosperity of the people."

The Government of the United States, in my opinion, can advance to a resumption of specie payments on its legal tender notes by gradual and safe processes tending to relieve the present business distress. If charged by the people with the administration of the executive office, I should deem it a duty so to exercise the powers with which it has been or may be invested by Congress as best and soonest to conduct the country to that beneficent result.

CIVIL SERVICE REFORM.

The Convention justly affirms that Reform is necessary in the civil service, necessary to its purification, necessary to its economy and its efficiency, necessary in order that the ordinary employment of the public business may not be a "prize fought for at the ballot-box, a brief reward of party zeal instead of posts of honor assigned for proved competency, and held for fidelity in the public employ." The Convention wisely added that "Reform is necessary even more in the higher grades of the public service. President, Vice-President, Judges, Senators, Representatives, Cabinet Officers, these and all others in authority are the people's servants. Their offices are not a private perquisite; they are a public trust."

Two evils infest the official service of the Federal Government.

One is the prevalent and demoralizing notion that the public service exists not for the business and benefit of the whole people, but for the interest of the office-holders, who are in truth but the servants of the people. Under the influence of this pernicious error public employments have been multiplied; the numbers of those gathered into the ranks of office-holders have been steadily increased beyond any possible require

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ment of the public business, while inefficiency, peculation, fraud and malversation of the public funds, from the high places of power to the lowest, have overspread the whole service like a leprosy.

The other evil is the organization of the official class into a body of political mercenaries, governing the caucuses and dictating the nominations of their own party, and attempting to carry the elections of the people by undue influence, and by immense corruption funds systematically collected from the salaries or fees of office-holders. The official class in other countries, sometimes by its own weight and sometimes in alliance with the army, has been able to rule the unorganized masses even under universal suffrage. Here it has already grown into a gigantic power capable of stifling the inspirations of a sound public opinion, and of resisting an easy change of administration, until misgovernment becomes intolerable, and public spirit has been stung to the pitch of a civic revolution.

The first step in reform is the elevation of the standard by which the appointing power selects agents to execute official trusts. Next in importance is a conscientious fidelity in the exercise of the authority to hold to account and displace untrustworthy or incapable subordinates. The public interest in an honest, skillful performance of official trust must not be sacrificed to the usufruct of incumbents.

After these immediate steps, which will ensure the exhibition of better examples, we may wisely go on to the abolition of unnecessary offices, and, finally, to the patient, careful organization of a better civil service system, under the tests, wherever practicable, of proved competency and fidelity.

While much may be accomplished by these methods, it might encourage delusive expectations if I withheld here the expression of my conviction that no reform of the civil service in this country will be complete and permanent until its chief magistrate is constitutionally disqualified for re-election; experience having repeatedly exposed the futility of self-imposed restrictions by candidates or incumbents. Through this solemnity only can he be effectually delivered from his greatest temptation to misuse the power and patronage with which the Executive is necessarily charged.

CONCLUSION.

Educated in the belief that it is the first duty of a citizen of the republic to take his fair allotment of care and trouble in public affairs, I have, for forty years, as a private citizen, fulfilled that duty, Though occupied in an unusual degree during all that period with the concerns of government, I have never acquired the habit of official life. When, a year and a half ago, I entered upon my present trust, it was in order to consummate reforms to which I had already devoted several of the best years of my life. Knowing as I do, therefore, from fresh experience, how great the difference is between gliding through an official routine and working out a reform of systems and policies, it is impossible for me to contemplate what needs to be done in the federal administration without an anxious sense of the difficulties of the undertaking. If summoned by the suffrages of my countrymen to attempt this work, I shall endeavor, with God's help, to be the efficient instrument of their will.

SAMUEL J. TILDEN.

To Gen. JOHN A. MCCLERNAND, Chairman, Gen. W. B. FRANKLIN, Hon. J. J. ABBOTT, Hon. H. J. SPANNHORST, Hon. H. J. REIFIELD, Hon. F. S. LYON and others, Committee, &c.

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GOV. HENDRICKS' LETTER OF ACCEPTANCE.

INDIANAPOLIS, July 24, 1876.

GENTLEMEN: I have the honor to acknowledge the receipt of your communication in which you have formally notified me of my nomination, by the National Democratic Convention at St. Louis, as their candidate for the office of Vice-President of the United States. It is a nomination which I neither expected nor desired; and yet I recognize and appreciate the high honor done me by the Convention. The choice of such a body, pronounced with such unusual unanimity, and accompanied with so generous an expression of esteem and confidence ought to outweigh all merely personal desires and preferences of my own. It is with this feeling, and I trust also from a deep sense of public duty, that I now accept the nomination, and shall abide the judgment of my countrymen.

It would have been impossible for me to accept the nomination if I could not heartily endorse the platform of the convention. I am gratified, therefore, to be able unequivocally to declare that I agree in principles, approve the policies, and sympathize with the purposes enunciated in that platform.

The institutions of our country have been sorely tried by the exigencies of civil war, and, since the peace, by a selfish and corrupt management of public affairs, which has shamed us before civilized mankind. By unwise and partial legislation every industry and interest of the people have been made to suffer; and in the executive departments of the Government, dishonesty, rapacity and venality have debauchedthe public service. Men known to be unworthy have been promoted, while others have been degraded for fidelity to official duty. Public office has been made the means of private profit, and the country has been offended to see a class of men who boast the friendship of the sworn protectors of the State amassing fortunes by defrauding the public treasury and by corrupting the servants of the people. In such a crisis of the history of the country I rejoice that the convention at St. Louis has so nobly raised the standard of reform. Nothing can be well with us or with our affairs until the public conscience, shocked by the enormous evils and abuses which prevail, shall have demanded and compelled an unsparing reformation of our National Administration, "in its head and in its members." In such a reformation the removal of a single officer, even the President, is comparatively a trifling matter, if the system which he represents, and which has fostered him as he has fostered it, is suffered to remain. The President alone must not be made the scapegoat for the enormities of the system which infests the public service, and threatens the destruction of our institutions. In some respects I hold that the present executive has been the victim rather than the author of that vicious system. Congressional and party leaders have been stronger than the President. No one man could have created it, and the removal of no one man can amend it. It is thoroughly corrupt, and must be swept remorselessly away by the selection of a government composed of elements entirely new, and pledged to radical reform.

REFORMS NEEDED.

The first work of reform must evidently be the restoration of the normal operation of the Constitution of the United States, with all its amendments. The necessities of war cannot be pleaded in a time of peace; the right of local self-government as guaranteed by the Constitution of the Union must be everywhere restored, and the centralized (almost personal) imperialism which has been practised must be done away, or the first principles of the republic will be lost.

Our financial system of expedients must be reformed. Gold and silver are the real standard of values, and our national currency will not be a perfect medium of exchange until it shall be convertible at the pleasure of the holders. As I have heretofore said, no one desires a return to specie payments more earnestly than I do; but I do not believe that it will or can be reached in harmony with the interests of the

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people by artificial measures for the contraction of the currency, any more than I believe that wealth or permanent prosperity can be created by an inflation of the currency. The laws of finance cannot be disregarded with impunity. The financial policy of the Government, if, indeed, it deserves the name of policy at all, has been in disregard of those laws, and therefore has disturbed commercial and business confidence, as well as hindered a return to specie payments. One feature of that policy was the resumption clause of the Act of 1875, which has embarrassed the country by the anticipation of a compulsory resumption for which no preparation has been made, and without any assurance that it would be practicable. The repeal of that clause is necessary that the natural operation of financial laws may be restored, that the business of the country may be relieved from its disturbing and depressing influence, and that a return to specie payments may be facilitated by the substitution of a wiser and more prudent legislation, which shall mainly rely on a judicious system of public economies and official retrenchments, and above all on the promotion of prosperity in all the industries of the people.

I do not understand the repeal of the resumption clause of the Act of 1875 to be a backward step in our return to specie payments, but the recovery of a false step; and although the repeal may, for a time, be prevented, yet the determination of the Democratic party on this subject has now been distinctly declared. There should be no hindrances put in the way of a return to specie payments. "As such a hindrance," says the platform of the St. Louis Convention, "we denounce the resumption clause of the Act of 1875, and demand its repeal."

I thoroughly believe that by public economy, by official retrenchments, and by wise finance enabling us to accumulate the precious metals, resumption at an early period is possible, without producing an "artificial scarcity of currency" or disturbing public or commercial credit; and that these reforms, together with the restoration of pure government, will restore general confidence, encourage the useful investment of capital, furnish employment to labor, and relieve the country from the "paralysis of hard times."

OUR INDUSTRIES.

With the industries of the people there have been frequent interferences. Our platform truly says that many industries have been impoverished to subsidize a few. Our commerce has been degraded to an inferior position on the high seas; manufactures have been diminished; agriculture has been embarrassed, and the distress of the industrial classes demands that these things shall be reformed.

The burdens of the people must also be lightened by a great change in our system of public expenses. The profligate expenditures which increased taxation from five dollars per capita in 1860 to eighteen dollars in 1870 tells its own story of our need of fiscal reform.

Our treaties with foreign powers should also be revised and amended, in so far as they leave citizens of foreign birth in any particular less secure in any country on earth than they would be if they had been born on our own soil; and the iniquitous coolie system which, through the agency of wealthy companies, imports Chinese bondmen, and establishes a species of slavery, and interferes with the just rewards of labor on our Pacific coast, should be utterly abolished.

In the reform of our civil service, I most heartily indorse that section of the platform which declares that the civil service ought not to be "subject to change at every election," and that it ought not to be made "the brief reward of party zeal," but ought to award for proved competency and held for fidelity in the public employ." I hope never again to see the cruel and remorseless proscription for political opinions which has disgraced the administration of the last eight years. Bad as the civil service now is, as all know, it has some men of tried integrity and proved ability. Such men, and such men only, should be retained in office; but no man should be retained on any consideration who has prostituted his office to the purposes of partisan intimidation or compulsion, or who has furnished money to corrupt the elections. This is done and has been done in almost every county of the land. It is a blight upon the morals of the country, and ought to be reformed.

OUR SCHOOLS.

Of sectional contentions, and in respect to our common schools, I have only this to say: That in my judgment, the man or party that would involve our schools in political or sectarian controversy is an enemy to the schools. The common schools are safer

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under the protecting care of all the people than under the control of any party or sect. They must be neither sectarian nor partisan, and there must be neither division nor misappropriation of the funds for their support. Likewise I regard the man who would arouse or foster sectional animosities and antagonisms among his countrymen as a dangerous enemy to his country. All the people must be made to feel and know that once more there is established a purpose and policy under which all citizens of every condition, race and color, will be secure in the enjoyment of whatever rights the constitution and laws declare or recognize, and that in controversies that may arise the government is not a partisan, but, within its constitutional authority the just and powerful guardian of the rights and safety of all. The strife between the sections and between races will cease as soon as the power for evil is taken away from a party that makes political gain out of scenes of violence and bloodshed, and the constitutional authority is placed in the hands of men whose political welfare requires that peace and good order shall be preserved everywhere.

GOV. TILDEN.

It will be seen, gentlemen, that I am in entire accord with the platform of the Convention by which I have been nominated as a candidate for the office of Vice-President of the United States. Permit me, in conclusion, to express my satisfaction at being associated with a candidate for the Presidency who is first among his equals as a representative of the spirit and of the achievements of reform. In his official career as the Executive of the great State of New York, he has, in a comparatively short period, reformed the public service and reduced the public burdens, so as to have earned at once the gratitude of his State and the admiration of the country. The people know him to be thoroughly in earnest; he has shown himself to be possessed of powers and qualities which fit him, in an eminent degree, for the great work of reformation which this country now needs; and if he shall be chosen by the people to the high office of President of the United States, I believe that the day of his inauguration will be the beginning of a new era of peace, purity and prosperity in all departments of our government. I am, gentlemen, your obedient servant,

THOMAS A. HENDRICKS.

To the Hon. JOHN A. MCCLERNAND, Chairman, and others of the Committee of the National Democratic Convention.

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SAMUEL J. TILDEN'S REFORM RECORD.

TESTIMONY OF "*THE NEW YORK TIMES.*"

PART I.

EXPLANATORY.

The newspaper from which the subjoined articles are copied, is the identical NEW YORK TIMES that is now published in the city of New York under that name and title. The SAMUEL J. TILDEN referred to in the following extracts is the SAMUEL J. TILDEN who is the Democratic candidate for President. This explanation is deemed essential, because, without it, the readers of the *Times* would fail to recognize in the present "great apostle of sham reform," the very SAMUEL J. TILDEN who but four years ago was called in the *Times* "an honest and high-toned Democrat," and "a gallant, conscientious and efficient foe to corruption." And lest it might be presumed, as the only rational solution to a transition so phenomenal, that the *Times* has become the property either of the late CANAL RING, or of WILLIAM M. TWEED, or of PETER B. SWEENEY, or of GEORGE G. BARNARD, the impeached and disfranchised Judge—one and all the mortal enemies of MR. TILDEN *not without cause*—it is but proper to state, incredible though the assertion may appear, that the persons who at present own and control the New York *Times*, are the same parties who owned and controlled it at the various times when the articles that follow were published. After perusing these pages and comparing the panegyrics on MR. TILDEN that the *Times* sung so loudly and persistently four years ago, with the harsh diatribes with which its columns are at present teeming, the question that will naturally suggest itself to the reader is, "Did the *Times* speak falsely four years ago, or does it speak falsely now?"

The position assumed by the *Times* towards Mr. TILDEN during the present campaign is not less absurd and ridiculous than if—simultaneously with its denunciatory articles against Mr. Tilden—it were to publish leading editorials lauding to the skies the honesty and integrity of WILLIAM M. TWEED or PETER B. SWEENEY. The *Times* is as consistent in its attacks on Mr. TILDEN as it would be in praising the thieves of the late Tammany Ring.

The following extracts from the *Times*, published in that journal at a period when Mr. Tilden was a private citizen; when there existed not even the remotest probability of his holding any public office whatever; when if any person had prophesied that Mr. Tilden was destined to be the Governor of New York, and the Democratic candidate for President of the United States, he would have been pronounced an idiot; and when no motive nor incentive was offered to distort the facts, or prejudice honest convictions—these extracts published at such time and under those conditions, in a leading Republican newspaper, are, beyond all question, entitled to the most implicit belief by all fair-minded men.

CHAPTER I.

DID MR TILDEN ASSIST TWEED AND SWEENEY IN PASSING THE "RING CHARTER" THROUGH THE LEGISLATURE?

In 1870 the Tammany Ring, by corrupting the Legislature, secured the passage of what is now called the "Ring Charter," by which they were enabled to obtain undisputed control of the municipal government. It has been asserted, since the beginning of the present campaign, that although Mr. Tilden was fully aware of the nefarious scheme, he held his peace, stood aloof, and permitted its consummation without remonstrating against it. Hearken to the *Times* of August 17, 1871, in an editorial on the subject:

There were a few indignant protests against the scheme uttered by such high-toned Democrats as SAMUEL J. TILDEN *and others of his character*, but they were without effect, for Tweed and Sweeney had the voters already bought up. OF ALL THE REPUBLICAN SENATORS, SENATOR THAYER ALONE IS ON RECORD AS VOTING AGAINST IT.

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DID MR. TILDEN OBEY TWEED'S ORDERS?

On October 5, 1871, the Democratic State Convention assembled at Rochester to nominate State officers. There were two contending delegations from New York city—the Tweed and Sweeny delegation, or Tammany, and the anti-Tammany. As this Convention was held in the midst of the great excitement that succeeded the exposures of the enormous frauds perpetrated by the Ring, it was currently reported that the Tammany delegation would not be admitted to seats in the Convention. The day before the Convention met, the *Times* published the following from its correspondent at Rochester :

"The old guard are coming to the front again, and such men as Horatio Seymour, Samuel J. Tilden, Francis Kernan, and the like, *who have been thrust aside for years* past by the thieves and bullies of Tammany Hall, will to-morrow guide the councils of the Democracy."

Let the fact be noted and remembered that the *Times* here admits that Messrs. Seymour, Tilden, and Kernan were thrust aside from the control of party politics in the State *for years* by the scoundrels of the Tweed and Sweeny ring.

DID MR. TILDEN PROVE HIMSELF A SELFISH POLITICIAN?

In the *Times* of October 6, the *Times* in its report of the proceedings of the Convention, says ;

"Mr. Tilden proceeded to denounce the Tammany organization, and declared that he would not, this Fall, vote for any of the nominations for Assembly made by that organization, and if that was undemocratic or irregular, he would resign his position as Chairman of the State Committee, and retire to the bosom of his plundered fellow citizens,"

The *Times* correspondent, in describing the effect of the above speech on the Convention, and the unpopular reception it met with, wrote:—

As further and conclusive evidence of this fact it should be noted that when Mr. Tilden told the Convention that he should go back to New York and work and vote against every local candidate nominated by Tammany Hall, he was greeted with a storm of hisses, accompanied by very feeble applause.

And in the report of the proceedings of the same date, the following were the *editorial* comments of the *Times* on the course pursued by Mr. Tilden at the Convention:—

There would be no doubt where a gentleman of Mr. Samuel J. Tilden's character would be found in such a contest as this. He tried every argument and every expedient to induce the Convention to come before the people with clean hands. No portion of the blame for the suicidal course of the Convention attaches to him. He did all that an honest and high-minded man could do to save his party from wallowing in Tweed's sty.

CHAPTER II.

WAS MR. TILDEN A SHAM REFORMER ?

The Convention over, and Mr. Tilden returned to the city to resume the arduous and delicate work of examining the books of the Broadway Bank, where the accounts of Tweed, Garvey, Ingersoll, and other plunderers were kept. On October 17th, 1871, the *Times* published the following:—

Mr. Samuel J. Tilden, on behalf of the Committee of Seventy, has concluded his examination of the books of the bank in reference to the City's accounts, and is now engaged in the preparation of his report thereon. The publication of this report will be looked forward to by the public with eagerness, and by the thieves of the Ring with fear. There have been grave difficulties to overcome in the tracing of the stolen money. The bills, certificates and vouchers in the Controller's office have been found apparently all right, and it was left to the books of the Ring's Bank to find and fasten the men who have profited by the losses of the city. The forthcoming report of Mr. Tilden will settle this, will set this and many other matters straight, and it is possible that the golden circle will find it necessary to devote more time hereafter to their own salvation and less to the annoyance of the Deputy Controller.

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MORE FROM THE SAME SOURCE.

Again, on October 26, 1871, the *Times* referred to the man it now calls a "wrecker of railroads" thus :—

If anything can arouse the New York public to that pitch of indignation which alone becomes them in the present crisis, it is the accounts which we publish to-day. Here we have, *thanks to the labors of* Mr. SAMUEL J. TILDEN, full and conclusive evidence that William M. Tweed differs only from a common thief in having stolen tens of thousands instead of tens of dollars. * * * * We refer to the affidavit of Mr. Tilden for a detailed account of how the disposal of the money was traced. * * * *

Here is also another little editorial extract on the same date as the above :—

If the people will not believe Republicans. surely they will find it hard to refute heevidence of Democrats like SAMUEL J. TILDEN, CHARLES O'CONOR, etc., etc.

A NEW ERA IN MUNICIPAL POLITICS.

Also the following—

Some of the ablest men of both parties will speak at the Cooper Union. *The appearance on the same platform* of SAMUEL J. TILDEN *and Wm. M. Evarts*, is a significant evidence of a new era in municipal politics, and should convince every honest man that the issues before us in the present election are above the region of party strife, and rest upon principles higher and more essential than those in dispute between Republicans and Democrats.

WAS S. J. T. TWEED'S PLIANT TOOL WHEN CHAIRMAN OF THE DEMOCRATIC STATE COMMITTEE.

On November 4, 1871, Mr. SAMUEL J. TILDEN, Chairman of the Democratic State Committee, was thus spoken of—

Remember that the frauds of Tweed, Hall, Sweeny and Connolly are no longer mere newspaper talk. They are matters of official record. They have formed the basis of suits in the Courts, under the advice of Mr. Charles O'Conor, the leader of the New York Bar. They are denounced in language quite as strong as we have used in the *Times* by Mr. SAMUEL J. TILDEN, Chairman of the Democratic State Committee, &c., &c.

VOTE FOR SAMUEL J. TILDEN.

The following explains itself:—

[*From The New York Times, November* 6, 1871.]

VOTE FOR SAMUEL J. TILDEN.

THE VOTERS OF THE EIGHTEENTH ASSEMBLY DISTRICT OUGHT TO ESTEEM IT AN HONOR AND A PRIVILEGE TO ELECT SAMUEL J. TILDEN TO THE LEGISLATURE. HE HAS SHOWN HIMSELF A GALLANT, CONSCIENTIOUS, EFFICIENT FOE TO CORRUPTION. WE APPEAL TO EVERY REPUBLICAN TO VOTE AND WORK FOR HIM, AND TO DO SO THE MORE CHEERFULLY—AS WE MAKE THIS APPEAL—BECAUSE HE IS AN HONEST DEMOCRAT.

AFTER THE BATTLE—WAS MR. TILDEN IN BAD COMPANY AGAIN?

The election of 1871, as is well known, resulted in the overthrow of a majority of the Ring candidates. From the *Times* of November 9, 1871, the following editorial comments are gathered:

"The significance of our success on Tuesday should not be misunderstood by the regular professional politician, nor should its honors be misappropriated. Let no one presumptiously claim it as a party triumph. It was a movement of the great body of the people, irrespective of party distinction. The honest citizens suddenly took the management of their own business into their own hands. * * * But it was not, we repeat, the work of any one party—it required the union of honest men of both parties. And that, warm thanks to the intelligence, energy and courage of prominent merchants, bankers, lawyers and others of both political parties, was gloriously successful. * * * Among individuals, however deserving others are of commendation, it will not be deemed invidious to say that to WILLIAM F. HAVEMEYER, CHARLES O'CONOR and SAMUEL J. TILDEN a large share of credit is due."

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Mr. Tilden having been elected to the Assembly, the *Times* of November 17, 1871, speaks of him as follows:

On the Democratic side in the Assembly, Mr. Tilden will undoubtedly be the leader, and as such ought to be able to promote the cause of sound reformatory legislation in a very marked manner. His judgment in regard to municipal affairs is ripe, and his independence has been proven by the severest tests. His voice will be entitled to great weight.

HONOR TO WHOM HONOR IS DUE.

[*From the New York Times of Nov. 18th*, 1871.]

"After a battle is fought and victory won it will generally be found that those soldiers who are the most boastful of their prowess, and the most forward to claim credit for their valiant deeds, are the very men who, during the progress of the fight, were seen skulking in the rear, or hiding themselves behind trees and hedges. * * * * It thus appears that in spite of all the exposures of the Tammany thieves, and in spite of all the efforts of Mr. Tilden and other honest Democrats in behalf of the Reform ticket, the great bulk of the Democratic candidate (party ?) still cling to the thieves' candidate, while only a comparatively small portion joined the reform movement."

CHAPTER III.

MR. TILDEN IN THE LEGISLATURE—WAS HE IDLE THERE?

The most important Act of the Legislature which convened in January, 1872, was the impeachment of Judges Barnard and Cardozo. Mr. Tilden was indefatigable in his efforts to punish the corrupt Judges. He was a member of the Judiciary Committee that conducted the preliminary investigations, and ultimately reported in favor of impeachment. The Assembly, however, in a most ungrateful manner, denied him a place among the nine managers chosen to prosecute the impeached Judges. The editorials that follow indicate in a most unmistakable manner what opinion the *Times* entertained of this neglect on the part of the Assembly. We are also treated to some very plain talk concerning Mr. Husted, speaker of the last Republican Assembly, Mr. Alvord, a leading Republican Assemblyman, and Mr. Vedder, of Cattaraugus, now State Senator, and the Republican Legislature generally.

THE *TIMES* SOMEWHAT SOLICITOUS.

[*New York Times, May* 13, 1872.]

The prospect of getting Judge Barnard fairly tried is at present a poor one. To be sure the Legislature has directed a trial and managers have been appointed, but who are these managers? * * * * The Court managers have, in fact, been deliberately *packed*. Some underhand influence must have been at work to produce such a result as this. * * * *There were some gentlemen engaged in the preliminary investigations whose honesty was beyond all question.* One or two are retained on the list of managers—but why should Mr. SAMUEL J. TILDEN, Mr. Tobey (who has proved himself a sterling friend of the public this session), Mr. Strahan and Mr. Flammar have been omitted? There appears to be no doubt whatever that Tammany's allies in the Republican party worked very hard to secure the exclusion of these gentlemen. * * * * It was by means of Republican votes that they succeeded in leaving out Mr. Tilden, Mr. Strahan, Mr. Tobey and Mr. Flammar. What right had Mr. Hays, Mr. Hill or Mr. Vedder to be on a Board of Managers appointed to try Judge Barnard? Every body acquainted with the facts must see various reasons why these men should have been left out—none why they should be put in. It is impossible to have any confidence in such a Board. * * * * Surely the least the Legislature can do is to at once appoint Mr. Tilden in the place of Mr. Hill, and Mr. Tobey in the place of Mr. Vedder. The exclusion of these gentlemen can only be prompted by an understanding that Barnard is to be "put through."

Will not some honest member of the Legislature try a direct vote to-day on the question? * * * * Once more we entreat some decent man in the Legislature to get a test vote on the question whether or not Mr. Tilden, Mr. Tobey and Mr. Strahan shall be placed on the Board of Managers?

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[*New York Times, May* 14, 1872.]

Messrs. Alvord, Husted and Vedder (all Republicans) appear to have taken up a good deal of the time of the Assembly yesterday evening in denouncing the *Times*. That our criticisms upon the constitution of the Board of Impeachment managers were fully deserved received emphatic illustration in the refusal of the Assembly last night to associate Mr. Tilden *in the prosecution of charges which he has done so much to mature*. Mr. PRINCE (Republican) ought to be a very good judge of the necessity of having Mr. Tilden associated with the Impeachment Managers, and we greatly prefer his approval and that of the forty-eight members who voted with him, to the opinion of the fifty-two who voted on the other side.

THE *TIMES* ESSAYS A COMPARISON BETWEEN MR. TILDEN AND SOME WELL-KNOWN REPUBLICANS

[*New York Times, May* 15, 1872.]

The Legislature adjourned yesterday—so much the better for the people of the State. A more incompetent or perhaps a more corrupt Legislature has never assembled. It was elected to carry out vital reforms, every one of which it has neglected. The two most influential men in it have been Alvord and Tom Fields. * * * If we cannot do better in electing future legislative bodies, it is a slight consolation to know we can never do worse. It is a current story that at the outset of the session, A. D. Barber, the professional briber, looked over the list of names and made this pithy comment: "I have never seen a cheaper Legislature." We consider it a great compliment to us that the last hour of such an infamous body were spent in abusing the *Times*. We are, according to Alvord, "a common sewer," and the same gentleman proposed to trample "the said sewer beneath his feet." We are also "infamous liars and base slanderers." In like manner, Husted, of gravel contract notoriety, denounces us as "cowards, liars and slanderers." Mr. Vedder is of opinion that we ought to be "sunk to the deepest, damnedest depths of political perdition and deeper still." We are very much obliged for these complimentary expressions. We should be deeply mortified if the Legislature had expressed any other opinion of our conduct. We are aware that it boasted of a Republican majority; and frequent appeals were made to us by "friends" not to attack or expose the members because it "might injure the party." But we happen to have made some sacrifices in the cause of Reform, and care more for its success than for the success of any party. We did our part at least toward inducing the public to come out and vote last November against thieves and swindlers. It was therefore a disgusting spectacle to us to see a Legislature obviously in league with these and swindlers * * * There were two or three dozen honest men among them at the very most. Mr. TILDEN, Mr. Prince, Mr. Tobey, Mr. Strahan, and some others whose course we shall hereafter discuss, *deserve great credit for the good work they did and the evil work they frustrated.* * * * We are prouder of Alvord's and Husted's curses than we should be of their blessings. We utterly rejected suggestions of "peace" offered to us on the part of ruffians like Tom Fields, or discredited "politicians" like Husted.

CHAPTER IV.

HOW MR. TILDEN WAS REWARDED AT THE END OF HIS LABORS.

The Democratic State Convention met at Rochester, on May 15, 1872, for the purpose of selecting delegates to the National Convention of that party that was to be held at Baltimore. The *Times* correspondent at Rochester, writing of Mr. Tilden, May 16, 1872, said:

The management of this Convention has been taken entirely out of Mr. Tilden's hands, although he is permitted, for appearance sake, to go through the motions as Chairman of the State Committee. The Young Democracy will never forgive him for the part he has taken in breaking down the Tammany corruptionists.

And the next day the *Times*, speaking on the same subject, said :

The only parties who are really satisfied are those Democrats who chiefly desired to put the knife to the throats of other Democrats. Mr. SAMUEL J. TILDEN is one of the victims. He has been snubbed and thwarted throughout. He was denied a place which he greatly coveted on the delegation to Baltimore, *and the boast is*

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loudly made that he will, at the next Convention, be deposed from his place on the State Committee.

The closing paragraph of the preceding extract is invested at this time with more than ordinary importance. It speaks volumes. After Mr. Tilden's brilliant record in the crusade against the Tammany thieves, and his transcendent services in restoring to New York City a pure and chaste judiciary, his political influence had waned to such an extent that, to use the words of the *Times*, "he was denied a place he greatly coveted on the delegation to Baltimore." What better evidence than that furnished by the *Times* is needed to sustain what has so often been asserted by Mr. TILDEN's friends, that his position in the Democratic party was always antagonistic to those elements from which sprung the Tammany Ring and the Canal Ring, both of which larcenous cabals he was so instrumental in annihilating.

PART II.

CHAPTER I.

TWO YEARS LATER—OPENING OF THE CAMPAIGN OF '74—THE *Times* AND MR. TILDEN.

We now approach the interesting period preceding the Fall election of 1874. Two years had elapsed since that day at Rochester when Mr. TILDEN had been denied the paltry pittance of a place on the New York delegation to the Democratic National Convention held at Baltimore in 1872. In the mean time, however, a marvelous change had occurred in the municipal government of New York City. Its augean stables had been purified. Judge GEORGE G. BARNARD, of the Supreme Court, had been tried, impeached, and disqualified frem *forever* thereafter holding any office. Judge MCGUNN, of the Superior Court, had shared a similar fate, but did not survive his disgrace longer than a fortnight. Judge Cardozo resigned to avoid a like sentence. Boss Tweed had lived to fill a convict's cell in the Penitentiary. Sweeny, Connolly, and other small fry, were wandering abroad in ignominious exile. And so the old adage that the darkest hour always precedes the dawn, had been again signally verified.

The welcome era of true and genuine Reform, thanks to such men as Samuel J. Tilden, Charles O'Conor, Wm. F. Havemeyer, and good men, had begun its new life.

In this improved condition of affairs, the eyes of leading Democrats naturally turned toward Mr. Tilden, as the person most available to be the standard bearer of the party in the approaching contest.

The *Times*, in one of its first editorial articles on the approaching canvass, alludes to Mr. Tilden in the following exceedingly flattering terms:

[*From the New York Times, July* 24, 1874.]

STATE POLITICS.

As the "Beecher" case seems likely to be the cause of stormy words and bad feeling in all directions,—a strong attack of it being about as inconvenient a thing to have as the bite of a mad dog, we will endeavor to divert the attention of our contemporaries to-day to another subject. * * * * Let us then leave Mr. Tilton a little while and turn to a gentleman of another kind—Mr. TILDEN. The reason we wish to withdraw the attention of our readers to him is, that he is being "mentioned" pretty generally, as the Democratic candidate for Governor this Fall. Mr. TILDEN has not, indeed, mentioned his own name, because he has been a long time in politics, and he is well aware that a man may speak too soon, as well as too late. This we will say,—*that* Mr. TILDEN WOULD MAKE A VERY GOOD CANDIDATE, FOR HE IS A GENTLEMAN, AN ABLE MAN, AND A MAN OF VERY HIGH CHARACTER.

Mr. TILDEN is not much liked by the less reputable portion of the Democratic party, and perhaps there are men even in Tammany Hall who do not exactly love him. * * * * He is at any rate a Democrat of long standing in the party; A MAN OF UNSULLIED HONOR, PUBLIC AND PRIVATE; A GOOD, PUBLIC SPIRITED MAN, WHO WOULD BE NO DISCREDIT-BUT MUCH THE REVERSE, TO OUR STATE. This we may say with perfect sincerity. Nevertheless, if Mr. TILDEN were to ask us, as his old friends and advisers, whether he should stand for Governor if he were invited to do so, we should feel it our duty to dissuade him from that course. We

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should like much to see him happy, but would it render him so, to undergo a signal defeat? If the Republicans nominate Gen. Dix, Mr. TILDEN could not run successfully against him. Incidentally he would do his party a great deal of good, for he would improve its moral tone.

Mr. Tilden's majority over General Dix, was in the neighborhood of **54,000.**

MR. TILDEN A VERY SUPERIOR DEMOCRAT.

A fortnight later, and the *Times* suddenly became seriously alarmed lest Mr. Tilden should fail to receive the nomination, and again took to singing his praises louder and more boisterously than ever.

[*From the New York Times, Sept.* 8, 1874.]

It is evident that a very large number of Democrats in this State are in favor of nominating Mr. Tilden as their candidate for Governor. * * * * We cannot positively promise Mr. Tilden our support, should he run for Governor this year, but this we will say, that he is so far superior to the ordinary run of Democratic candidates in this State that we do not believe any Democratic Convention can be got together to nominate him.

A CANDID ADMISSION.

And although it hardly seems credible, the *Times* did actually make the following candid admission in its editorial columns on Sept. 11, 1874, respecting the motives that impelled Mr. TILDEN to assist in ridding New York City of the Tammany thieves.

"NO ONE EVER SUPPOSED THAT *Mr. TILDEN* ACTED FROM INTERESTED MOTIVES IN 1872."

TWEED AND THE CANAL PLUNDERERS OPPOSED TO MR. TILDEN.

The *Times* and the Republican Press generally do not scruple in the present Presidential canvass to connect Mr. TILDEN's name with the Tammany Ring or with the Canal Ring. What excuse will the *Times* proffer for having published this editorial?

[*From the New York Times, Sept.* 16, 1874.]

Mr. TILDEN has been opposed solely on the ground that he assisted to fasten personally upon Tweed, in a court of law, the proof of his guilt. There has been no other objection urged to him. The Republicans could well afford, from a party stand-point, to stand by and see him rejected. * * * * *On the other hand, we must all admit that Tilden is not supported by the Canal plunderers.*

CHAPTER II.

MR. TILDEN NOMINATED FOR GOVERNOR—HE IS A HIGHLY RESPECTABLE CANDIDATE.

[*From the New York Times, Sept.* 18, 1874.]

THE NEW YORK DEMOCRATIC CONVENTION MADE AN END OF ITS WORK YESTERDAY, BY NOMINATING MR TILDEN FOR GOVERNOR. MR. TILDEN IS A HIGHLY RESPECTABLE CANDIDATE, AND NO MAN IN THE STATE WHO WISHES TO SEE THE RETURN OF THE DEMOCRATIC PARTY TO POWER NEED BE ASHAMED FOR HIM.

MR. TILDEN STILL A VERY NICE MAN, BUT CAN'T BEAT DIX, OH! NO.

The Republican State Constitution met at Utica on Sept. 23, 1874, and renominated Gen. John A. Dix as its candidate for Governor. The following morning the *Times* commented on the circumstance as follows:

[*From the N. Y. Times, Sept.* 24, 1874.]

Here, then, our readers have before them the Republican ticket and platform for the present year in New York State, and we make no rash prediction when we say that it will prove to be the *winning* ticket. Mr. TILDEN is *a very respectable man,* but who would dream of electing him Governor in preference to Gen. Dix?

A SLIGHT CHANGE PERCEPTIBLE—THE *TIMES* BEGINS TO WEAKEN.

[*From the N. Y. Times, October* 5, 1874.]

The Democrats of New York State have so seldom presented a candidate of good

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personal character to the community that we need not feel surprised at the pride which they now take in exhibiting Mr. TILDEN. * * There is every motive for working energetically against the Democrats in New York State. * * It is not Mr. TILDEN, but the men behind Mr. TILDEN whom the public have to fear.

CHAPTER III.

THE DAY AFTER UNCLE SAMUEL WAS ELECTED GOVERNOR—THOSE FEW PERSONS IN WASHINGTON—THAT VENAL "ORGAN" OF THE ADMINISTRATION—THOSE NOMINATIONS FOR CHIEF JUSTICE.

From this time until the day of election, the *Times* attacked Mr. TILDEN in pretty much the same fashion that it is doing now, with what result it is well known.

The article that follows is almost a *fac-simile* of what it will publish on the day after the next Presidential election, and as such is deserving of careful study:

[*From the Times, Nov.* 4, 1874.]

THE DEMOCRATIC VICTORY.

The result of the elections yesterday, in this and other Eastern States, will not be a surprise to anybody, except perhaps to a few persons in Washington, and it certainly will not surprise any of our readers, who have been kept tolerably well informed as to the causes which inevitably tended to produce the present overthrow of the Republican party. All that could be done honorably to avert this defeat has been done by us, but since the last Presidential election many of the party leaders have been deaf alike to advice or remonstrance. They have apparently believed that the people would quietly submit to anything and everything, and that the party which they represented was indestructible. Nothing short of the events which we record this morning could have opened their eyes to the truth. If a newspaper warned them in a friendly but firm spirit against the policy of blundering which they were pursuing, it was treated with a mixture of the insolence and arrogance which they exhibited toward all opposition. The immediate friends of the administration possessed themselves of an "organ" at Washington, and filled it with disgusting slanders and with besotted arguments in favor of Gen. Grant for a "third term." It will be the lot of the President to discover, in common with many great men who have gone before him, that foolish flatterers and venal newspapers cannot turn aside the current of public opinion. The truths which he and his immediate supporters refused to hear from the lips of friends they must now listen to to-day from the people at the polls.

The great and signal defeats of yesterday virtually began last year. The panic did much to injure the Republican party, but the effects of that disaster might have been greatly lessened HAD A WISE COURSE BEEN ADOPTED BY CONGRESS IN RELATION TO THE FINANCES. * * * * * * * * *

THE MISMANAGEMENT AT THE TREASURY, THE SANBORN FRAUDS, and the general series of blunders in nearly all the public departments, were in the mean time causing incalculable mischief. THE FIRST TWO NOMIMATIONS FOR CHIEF JUSTICE WERE SHOCKING BLUNDERS, AND DISGUSTED THE WHOLE PEOPLE.

For the sake of the country it is to be hoped that the Democrats will use their victory in a spirit of moderation and prudent statesmanship. We doubtless see, to-day, the Democratic Presidential candidate for 1876, *and if the Republican party is not conducted with greater wisdom and good fortune during the next two years than it has been during the last two,* MR. TILDEN *is the most probable successor of Gen. Grant.*

CHAPTER IV.

MR. TILDEN AS GOVERNOR.

The career of Mr. Tilden as Governor of New York, is too fresh in the minds of all to require much comment. The extracts subjoined attest the good opinion which the *Times* entertains of our Governor, whenever he is not a candidate for office:

[*From the N. Y. Times, January* 1, 1875.]

The Democrats come into power to-day, and we wish them nothing worse than that they may give the people a thoroughly good and honest government. * * * *We have not the slightest doubt* that he (GOV. TILDEN) means to do his duty

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SOMETHING FOR GEN. DIX AND HIS "BOYS IN BLUE" TO READ.

The following address was delivered by Gov. Dix when he surrendered the executive power to Mr. TILDEN, on Jan. 1, 1875. As Gen. Dix threatens in a recent letter to have something to say why Mr. Tilden should not be elected President of the United States, it would not be remiss for him to recall the sentiments he uttered on that memorable occasion. Although Gen. Dix may possibly not remember the fifty odd thousand majority against him and in favor of Mr. TILDEN in 1874, because that was the work of others, he will not so easily forget the address that follows, since that was his own work.

[*N. Y. Times, January* 2, 1875.]

Mr. TILDEN: The people of the State have called you to preside over the administration of their government BY A MAJORITY, *which manifests the highest confidence in your ability, integrity and firmness.* I need not say to you who have had so long and familiar acquaintance with public affairs, that in a state of such magnitude as ours, with interests so vast and diversified, there is a constant demand on the chief magistrate for the essential attributes of statesmanship. It is gratifying to know that the amendments to the Constitution, approved and ratified by the people at the late general election, by limiting the powers of the Legislature in regard to local and special laws, will in some degree lighten the burden of your arduous and responsible duties. While a material progress has been made during the last two years in the correction of abuses, much remains to be done, *and the distinguished part you have borne in the work of municipal reform in the city of New York gives assurance that under your auspices the great interests of the State will be vigilantly guarded.* I tender you my sincere wish that your labors in the cause of good government *may be as successful here as they have been elsewhere*, and that your administration may redound to your own honor, and to the lasting prosperity of the people of the whole State.

GOV. TILDEN'S FIRST MESSAGE, AND WHAT THE *TIMES* THOUGHT OF IT.

Next comes the opinion of the *Times* on Gov. Tilden's first annual message to the Legislature.

[*N. Y. Times, January* 6, 1875.]

It is full of suggestions upon which every man would do well to ponder, and there are special subjects which are treated *with that wisdom which only comes of practical experience.* We refer particularly to that part of the message relating to breaches of trust, committed by responsible officials. In the Tweed prosecution, Mr. TILDEN had the opportunity of making himself thoroughly acquainted with the practical working of the present laws. The Governor had ample means of detecting the loopholes through which dishonest officials contrive to escape, *and few men are better fitted to devise expedients by which these loopholes may be stopped.* * * * Upon the whole, we may congratulate Mr. TILDEN on having sent in a very fair, sensible and business-like message; and we have only to hope that his acts and those of his party will do no violence to his promises and professions.

GOV. TILDEN WILL NOT DO A WRONG TO GRATIFY POLITICIANS.

[*New York Times, Feb.* 20, 1875.]

* * * He has so far shown that he will not abate one jot of his honest convictions, or consent to any act which he believes to be morally wrong, to gratify any set of politicians whatever.

CHAPTER V.

GOV. TILDEN'S WAR ON THE CANAL PLUNDERERS.

Towards the middle of March, 1875, it became generally accepted as a fact in political circles that Gov. Tilden was preparing to begin a vigorous and effective campaign against the Canal Ring, and that he would shortly address a message to the Legislature on the subject. The *Times* thus anticipates the Governor's action:

[*N. Y. Times, March* 17, 1875.]

The Governor's message on the canals is said to be nearly ready, and it is reported to be a document calculated to spread dismay through the ranks of the Canal Ring. * * * As a political power in the State, the Canal Ring has been steadfastly opposed to him in the past, and he has certainly nothing but hostility to expect from it in future. *His* (TILDEN'S) *natural antipathy to administrative* corruption will therefore be strengthened on this occasion, etc., etc.

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Gov. Tilden's message was transmitted on March 19.

The Albany correspondent of the *Times* thus describes the effect of Governor Tilden's famous message to the Legislature, on the Canal frauds.

[*From the N. Y. Times, March* 20, 1875.]

ALBANY, March 19, 1875.

The campaign against the Canal Ring is fairly begun, and the first advance upon that stronghold of fraud and corruption was made by GOV. TILDEN, who sent his anxiously looked-for message on this subject to both Houses of the Legislature to-day. The document is a strong one, but is not to be deemed inexhaustive on the subject. A perfect state of panic exists among all those who have been and are involved in the matter. Since the contents of the message have become known, it is everywhere admitted that no such assault had ever before been made on this Ring, and that its *momentum* was too great and too direct to be either resisted or averted.

And on the same day the following editorial comments appeared :

GOV. TILDEN AND THE CANAL RING.

The brevity of the Governor's message in regard to the canals may be a surprise to the public. Its ability, pungency and comprehensive grasp of a somewhat intricate subject, will surprise nobody—unless, perhaps, the corrupt gang against whose system of plunder it is mainly directed. * * * * As a searching analysis of one of the most long-lived systems of official peculation in the State, the message has an interest for the general tax-payer far beyond the subject to which it immediately refers. To those directly interested, as merchants, boatmen, or forwarders, in the lowering of canal tolls and the making of canal expenditures more productive of solid results, the Governor appeals as one who has made a long and careful study of the subject of internal water results, and who is thoroughly competent to reveal the very source and center of the abuses which have helped to divert the legitimate commerce of the State into other channels.

On March 25, when there was some doubt that the Legislature would appoint a proper committee to investigate the rascalities of the canal thieves, the *Times* again reiterates its confidence in Governor Tilden.

[*New York Times, March* 25, 1875.]

GOV. TILDEN is not likely to disappoint the popular expectation that, committee or no committee, he will track the canal frauds home to their authors, and bring those who have profited by them to justice.

THE *Times* PROPHET FOR ONCE RIGHT.

We end this collection of extracts with the following. It strikes some people right between the eyes :

[*New York Times, March* 27, 1875.]

For a time he will be praised, but after that he will be abused all around. * * * * * A man who attempts to break down an abuse of long standing creates many bitter foes, and attracts a few supporters ; and lucky will it be for him if in the end the rogues whom he has brought to grief do not contrive to make out his character blacker than their own. That was a very wise warning of COLERIDGE, "Truth is a good dog ; but beware of barking too close at the heels of an error, lest you get your brains kicked out." Mr. Tilden is barking close at the heels of a great fraud, and he will get much encouragement just now; plenty of people will spur him on; but when we are told that he looks for public gratitude after his work is done, we must dismiss it as an idle tale, for Mr. Tilden is a shrewd man, and knows perfectly well what sort of a world we are living in.

We have no inclination to indulge in comments upon the foregoing. This is strictly the work of the NEW YORK *Times*, a leading Republican newspaper, and regarded as reliable authority upon political matters, by the party of whose opinions it is an exponent. We have thus culled the *Times* editorial views of Mr. TILDEN from the beginning of his service against the Tammany Ring, down to his destruction of its counterpart, the Canal Ring, one year ago. Gov. Tilden's latest exploit is reducing the State debt from FIFTEEN MILLIONS to EIGHT MILLIONS.

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PARKE GODWIN'S LETTER.

THE DEMOCRATIC CANDIDATES ALONE OFFER GUARANTEES OF REFORM.

[*From the New York Tribune of July* 22, 1876.]

To the Editor of the Tribune:

SIR — As one of the Executive Committee of the Conference held at the Fifth Avenue Hotel in May last, I desire to say a word to its members and constituents. I am led to it by the fact that several of my colleagues have already expressed opinions of the political situation with which I cannot agree. But a more powerful motive with me is the belief, that while the action of the Conference has had no little influence in shaping recent events, its adherents may do an infinity of greater good if they will continue to act in the spirit which brought them together, and which is seen in the manly words of their address to the people.

THE SPIRIT OF THE CONFERENCE.

The call for that assembly, it may be remembered, was sent to men of all parties who were interested enough in the correction of acknowledged abuses to cast off their party trammels and to act in a body as reformers. Mr. Carl Schurz, who initiated its proceedings by a brief speech, said that, in issuing the invitations, "no inquiry had been made as to any man's party connections, and only as to the sincerity of his faith." It was accordingly formed of no professed politicians, but of gentlemen of distinction in the various walks of life, who preferred country to party, and whose single aim was to rebuke, and to remove, that fearful decay of civic virtue which had come partly out of the war, but mainly from an utter perversion of policies, both in theory and practice. President Woolsey, on taking the chair, remarked that "for the last ten years the country had been growing politically worse, and that those who had acted with the dominant party had frequently had reason to blush with shame for its leaders." An address subsequently adopted by the Conference, as the declaration of its thought, more largely described the painful condition of things in these words:

> A national election is approaching under circumstances of peculiar significance. Never before in our history has the public mind been so profoundly agitated by an apprehension of the dangers arising from the prevalence of corrupt tendencies and practices in our political life, and never has there been greater reason for it. We will not display here in detail the distressing catalogue of the disclosures which for several years have followed one another in rapid succession, and seem to have left scarcely a single sphere of our political life untouched. The records of courts, of State Legislatures, and of the National Congress, speak with terrible plainness, and still they are adding to the scandalous exhibition. Our republic, but a century old, and just issued from the only great civil conflict we have had to deplore, is so strong in resources and organization that it stands in the foremost rank of the great powers of the earth; and yet, with all these splendid results on record, it cannot be denied that at no period during the century now behind us, the American people have been less satisfied with themselves; and that the centennial anniversary of the Declaration of Independence, in so many respects to all Americans a day of sincerest pride and rejoicing, is felt to be in other respects not without self-reproach and humiliation. Of this the corruption revealed in our political life is the cause.

THE EVILS COMPLAINED OF.

The thoughtful and conscientious men who gave utterance to this description had long observed the growing indifference to sound principles and the growing degeneracy in practice, and they asked themselves, What is to be done? They had seen, only a few years ago, in the metropolis of the continent, a horde of bandits possessing themselves of almost absolute power by the mere force of party

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machinery, and after gorging themselves with plunder to the amount of fifteen or twenty millions of dollars, fastening their own creatures upon legislatures, courts, and the Executive chair. They had seen the judiciary bench occupied by vulgar and venal scoundrels, who gave away their decisions as favors to accomplices or flatterers, or who sold them more or less openly for gold. They had seen a large number of the representatives of the people in the National Legislature, many of them prominent leaders, accepting gratuities in the shape of stock from the gigantic moneyed corporations to which they had voted, or might be called upon to vote, enormous subsidies out of the public lands; a Vice-President of the United States falling into disgrace because of his complicity. They had seen those same members of Congress, with others, at a time when the nation was groaning under an excessive taxation, voting themselves salaries for services which they had never rendered (from $2,000 to $5,000 each), and only giving them back, when they were given back at all, with reluctance—sometimes in ambiguous ways that would admit of future recovery, and at the rebuke of an outraged opinion and an indignant press.

They had seen the Southern States, recently in revolt, seized upon by rapacious plunderers, who, on the pretext of protecting the rights of the freedmen, outraged all the rights and all decencies of civilized society, and those once flourishing communities, now struggling to recover their lost prosperity, subjected to the degradations of an Eastern satrapy. They had seen the District of Columbia surrendered by the National Legislature to a conclave of peculators, who made themselves rich at the expense of the people, by heaping debt and taxation upon the people, through a shameless perversion of all the duties of office. They had seen a widespread conspiracy for defrauding the revenue, with its principal agents in the revenue departments, and its accessories in the White House, arrested with difficulty by the courts, because of the intimate relations of the criminals with high political personages. They had seen an Embassador of the Republic, an intimate personal friend of the President, connecting his name as patron with a swindling mining company, and so lost to a sense of common decency, not to speak of personal and national honor, as to justify his conduct until rebuked by a vote of the House of Representatives. They had seen a Speaker of the House coquetting secretly with railroad jobbers, and evading inquiry now by disgraceful shifts and tricks, and now by audacious *coups de théâtre* intended to baffle and mislead opinion by a false glare of frankness. They had seen, in the State of New York, the principal channel of communication between tide-water and the lakes in the hands of a combination of swindling contractors, professedly of both parties, who levied their blackmail indirectly upon the enterprise of the merchant and the hard toil of the farmer. They had seen the custom-houses in New York, New Orleans, and elsewhere used as the asylums of political tricksters, who harried commerce by false accusations of fraud and irritating persecutions, as the citadels of soldiers whose arms were turned, at the will of those tricksters, against the lives of citizens who were honestly in the discharge of their duties as citizens. And, finally, they had seen a Cabinet Minister arraigned and impeached, on his own confessions, for conspiracy with post-traders, who skinned the poor soldiers of the frontier, that the confederate felons might riot in ostentation and luxury at the Capital.

THE DECISION AS TO A REMEDY.

Well might good and patriotic men everywhere ask, in view of these widespread venalities and scoundrelisms, What is to be done? It was suggested that the formation of a third party would in time meet the evil, and the Conference stood ready to become the nucleus of so forlorn a hope. But the more considerate members, discovering in the undisguised dissatisfaction of both the existing political organizations the signs of a desire for improvement, counseled a waiting and expectant policy. It was resolved, in the first place, to make an earnest appeal to the people, in order to influence the Conventions about to assemble; and, in the second place, in the event that such an appeal should pass unheeded, to resort to ulterior measures.

That there might be no mistake as to its position, the Conference put forth this declaration, which we may call a New Declaration of Independence, in every way worthy of its predecessor and of this Centennial year:

> We therefore declare, and call upon all good citizens to join us in it, that at the coming Presidential election we shall support no candidate who, in public position, ever countenanced corrupt practices or combinations, or impeded their exposure and punishment, or opposed necessary measures of reform.
>
> We shall support no candidate who, while possessing official influence and power, has failed to

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use his opportunities in exposing and correcting abuses coming within the reach of his observation; but for personal reasons and party ends has permitted them to fester on; for such men may be counted on not to uncover and crush corruption, but for the party's sake ready to conceal it.

We shall support no candidate, however conspicuous his position or brilliant his ability, in whom the impulses of the party manager have shown themselves predominant over those of the reformer; for he will be inclined to continue that fundamental abuse, the employment of the government service as a machinery for personal or party ends.

We shall support no candidate who, however favorably judged by his nearest friends, is not publicly known to possess those qualities of mind and character which the stern task of genuine reform requires; for the American people cannot now afford to risk the future of the Republic in experiments on merely supposed virtue or rumored ability to be trusted on the strength of private recommendation.

In one word, at present no candidate should be held entitled to the support of patriotic citizens of whom the question may be fairly asked: "Is he really the man to carry through a thorough-going reform of the government? Can he with certainty be depended upon to possess the moral courage and sturdy resolution to grapple with abuses which have acquired the strength of established custom, and to this end firmly to resist the pressure even of his party friends?" Whenever there is room for such a question (and doubt as to the answer) the candidate should be considered unfit for this emergency.

* * * * * * * * * * * * *

Every American citizen who has the future of the republic and the national honor sincerely at heart should solemnly resolve that the country must have a President "whose name is already a watchword of reform; whose capacity and courage for the work are matters of record rather than of promise; who will restore the simplicity, independence, and rectitude of the early administrations, and whose life will be a guaranty of his fidelity and fitness;" a man at the mere sound of whose name even the most disheartened will take new courage, and all mankind will say: "The Americans are indeed in earnest to restore the ancient purity of the government."

The first three paragraphs of this eloquent manifesto were intended to guard against the nomination of that class of aspirers to the highest office which was aptly represented by Messrs. Blaine, Conkling, and Morton; and the remaining paragraphs were expressly written and were understood to cover such mere makeshifts as Messrs. Hayes and Hartranft, one or the other of whom it was feared might be brought forward at the last moment as a compromise, and for the defeat of the friends of reform. I need hardly say that these ringing sentences, as they were read to the Conference by Mr. Schurz, were received and adopted in the sense here given them, amid the most tumultuous plaudits and congratulations. Each man, as he heard the sentences, made the application, and cheered anew.

Let us now see how this plain and unambiguous manifesto was met by the respective Conventions.

THE REPUBLICAN CONVENTION.

The Cincinnati Convention met on the 14th of June, and was organized in the interests of Mr. Blaine, who was by far the most popular name presented to the suffrage of the Convention. Throughout the ballotings, Mr. Blaine, seriously smirched as he was by the recent publications of his overtures to jobbery, continued the leading candidate. Mr. Bristow, who, because of his courageous onslaught upon the Whisky Ring, had become the standard-bearer of the reformers, only succeeding in getting, at the highest, 126 votes out of 756. The adherents of Blaine, Conkling, and Morton were largely in the ascendant, and might at any time have determined the result. But they could not agree in their personal preferences, and then, after seven ballotings, at the instance of a notorious trading politician of Pennsylvania, Mr. Hayes, of Ohio (whose only vote had been that of his own State, and a few individuals, 68 in all) was selected as the *Dues ex machina*. He was selected because of his comparative insignificance. His neutrality of tint, it was supposed by the managers, would harmonize the more pronounced colors. He was a man of exemplary character, who had served honorably, though not conspicuously, in the war and in Congress, and who, as Governor of Ohio, had given general satisfaction to his party. His talents were respectable, but no more. He had never been a leader in any of the relations, civic or military, in which he had acted. In that respect all his competitors were greatly his superiors. He had never been, in any sense of the word, a reformer. Indeed, it is said —though I cannot vouch for the report—that he refused to accede to the resolutions of the New York Reform Club when they were presented to him for acceptance. Certainly, through all the dreadful exposures, which, as our address says, "brought shame to the face of honest Americans," he had raised no voice of rebuke. In his candidature for the Governorship of Ohio, he took position in favor of the evasive Resumption act, but his opinion, further than that, were either unknown or equivocal. He had simply kept step with his party, acquiescing in all its dilatory and ineffective measures, but never pushing one inch in advance.

THE CANDIDATE DOES NOT MEET THE CONDITIONS.

Now, it would be simply ludicrous to discuss whether such a candidate comes up to the high requirements of the Conference address. Mr. Hayes never havin:

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in any way identified himself with the sentiment of reform, what assurance have we that he ever will? What guaranty is given us that he will not fall into the hands of the old political ring-masters, without whose concurrence he could not have been nominated, and will not be elected? Is he, in the words of our symbol, "publicly known to possess those qualities of mind and character which the stern task of genuine reform requires?" Is he "really the man to carry through a thoroughgoing reform of the Government? Can he with certainty be depended upon to possess the moral courage and sturdy resolution to grapple with abuses which have acquired the strength of established custom, and to this end, firmly to resist the pressure of party friends?" Has he won, again as our address demands and conditions, "not only the confidence of honest men, but the fear and hatred of thieves?" Is his name "*already a watchword for reform, whose capacity and courage for the work are matters of record rather than of promise;* who will restore the simplicity, independence, and rectitude of the early administrations, and whose life will be a guaranty of his fidelity and fitness; a man, at the mere sound of whose name even the most disheartened will take new courage, and all mankind will say, 'The Americans are indeed in earnest to restore the ancient purity of their government?'"

These words do not apply to Gov. Hayes; and it would be a disingenuousness hard to characterize, for those who wrote and adopted them, to select one of the very persons against whose possible candidacy they were leveled as their ultimate exponent.

THE REPUBLICAN PLATFORM NO LESS DEFICIENT.

But from the candidate let us turn to the platform or declaration of principles on which he is presented. Will that improve his position? Not at all. The platform, in its reformatory aspects, is even weaker than the nomination. One of the journals. *The New York Evening Post*, which most strongly sympathized in the objects of the Conference, said of it, on the day of its publication, that it was "half-hearted" and "timid." "The recent history of parties contains many pages of feeble resolutions," it adds, "but in a competition of weakness the declarations adopted yesterday may confidently challenge comparison with any others." It was a tissue of platitudes and commonplaces, such as we are usually treated to on such occasions, which literally say nothing that ought to be said, and say much that it is indifferent whether it be said or not. We look through it in vain for any watchword or key-note of reform. The adminstration of Grant, which has been, and to this day is, a source and instigation of many of the most monstrous abuses that we deplore, is commended to our approval and gratitude. Its recreant abandonment of the attempt at civil service reform passes unrebuked. Not a word is said in denunciation of the enormous conspiracies and frauds which had converted the Government from a protecter into a despoiler. No allusion is made to the painful perversion of high trusts which have brought disgrace upon the nation. No stern, resolute, unspairing determination is expressed to rectify known wrongs, but only a feeble promise to punish them if, peradventure, they are discovered; no broad or statesmanlike scheme for the retrenchment of our oppressive expenditures is broached; no hearty condemnation of the bad practice which divides the spoils of office among the henchmen of Congressional leaders; no whisper of approval, even of the law, declaring a day for the resumption of specie payments, which some zealous Republicans would persuade us is a solemn National pledge, and the sum and text of orthodoxy, on the currency problem. The members of the Conference whose hearts were yet aglow with the beaming eloquence of Schurz, Adams, Seelye, Bullock, and Welsh, must have read its *jejune* and costive phrases with the sensation of one that passes from the vapor bath into a cold plunge.

THE LETTER OF ACCEPTANCE BETTER BUT NOT ADEQUATE.

The letter of Gov. Hayes, since written in acceptance of the nomination, is in some respects an improvement to the meaningless symbols of his party. It recognizes the need of correcting the present mode of appointing to office, which has been one of the foulest spots of a thoroughly foul system. But its manner of correcting it—that is, by giving all the present incumbents of office an indefinite tenure—would simply perpetuate their hold of the trusts they have so many of them abused. Its principles, admitting them to be sound as principle, would, in their practical operation, be an act of indemnity for all the felons and rogues who now infest and pollute the public offices. It is also more emphatic, though still quite general and inexplicit on the subject of resuming specie payments. In his

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speech at Marion, Ohio, July 31, last year, Gov. Hayes declared that he was firmly opposed to "contraction," and that "he left the work of placing our currency at par to the influences of time and the inherent energy and resources of the country"—Mr. Boutwell's much ridiculed scheme of "growing up to it;" but how we are to reach resumption by that process I fail to perceive. Resumption in that form means no resumption. As a whole this letter does not meet the exigency. It proposes to trim away a few branches of the upas tree, while it leaves the root untouched. Its omissions are as fatal as those of the platform. It does not even refer to, much less reprobate, that dangerous perversion of all right theory and practice of government which, under the significant name of Grantism, has become the dominant spirit of the party. Those prodigious and profligate expenditures that have maintained hordes of useless placemen, and furnished food for the corrupt manipulators of politicial machinery, while they have almost paralyzed the industries of the people, are hardly mentioned. No matured plans of economy; no systematic scheme for the readjustment of our absurd and oppressive methods of taxation; no change in the loose, procrastinating, and incompetent treatment of the finances is so much as hinted at, and thus the letter leaves us in doubt whether the writer even comprehends the vital necessity of a thorough revolution of affairs.

THE ST. LOUIS CONVENTION.

The Democratic Convention met in St. Louis on the 27th of June. It differed from all previous conventions of the same party, according to a writer in *The Tribune*, in this remarkable particular: It was composed mainly of young men, or of those who had grown up since the time when that powerful unity, making its fatal mistake on the slavery issue, was broken into pieces, and a large fragment went wandering into the wilderness. The friends of Mr. Tilden, the acknowledged New York reformer, easily obtained the organization, and from beginning to end held the upper hand in all the proceedings. Only two ballots were taken—the first merely formal and complimentary—when Mr. Tilden was unanimously nominated. He was, however, not unopposed in spite of his ascendency, but the opposition to him came chiefly from what are regarded as the most questionable elements of his party—the representatives of Tammany Hall at the East and the abettors of financial eccentricity at the West. Thus, by the manner of his selection, Mr. Tilden became not simply the candidate of a faction of his party, but the exponent of a principal.

Who, then, is Samuel J. Tilden?

In reply, good friends of the Conference, let me speak to you from my personal knowledge. I have been intimately acquainted with Mr. Tilden for nearly forty years, and though I have often differed with him politically, sometimes even lamenting his strong reliance on party agencies, I have never had the slightest occasion to suspect his absolute integrity of purpose and sincerity of conviction. In all the relations of private life he is purity itself. At the same time he has always been a public-spirited citizen, taking an active part in whatever concerned the welfare and progress of the community in which he lived. His devotion, indeed, to public affairs began while he was still a youth, and his early discussions of intricate questions of finance attracted the attention of maturer minds by their singular penetration and judgement. Professionally, he has taken rank with Van Buren, Brady, O'Conor, Graham, Evarts, Kirkland, and other foremost lawyers, and in a peculiar class of cases—heavy and complicated railroad litigations—he is admitted to be *facile princeps*. His counsel, when important and decisive action was involved, has been deemed invaluable. In still higher relations Mr. Tilden seems to me to combine, more than any man now before the public, hardly excepting Mr. Adams of Massachusetts, the two great kinds of quality, theoretic and practical, which form the true statesman; a profound understanding of the philosophic grounds of political opinion, and the sagacious tact and energy of the man of business.

This union of theoretic insight with practical capacity has been singularly shown in his administration of the affairs of this State. New York is the largest commonwealth of the Union, the largest in population, in agricultural products, in manufacturing enterprise, in commercial capital—in a word, in the diversity and importance of its business relations; and the Governorship there is not a mere clerical function, confined to the appointment of notaries and the signing of commissions, as in many of the newer Western States, but an onerous, intricate, and responsible trust. The Governor is invested with the veto, which makes him a part of the

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legislative power, while his executive connection with the complicated business of the quarantine, the salt works, the States prisons and charities, and an immense system of canals, imposes upon him the most varied and difficult duties. Mr. Tilden, in his short tenure of the place, has evinced a masterly fitness for all its duties. He has defeated a multitude of ill-considered and improper bills, rectified many minor errors of administration, overthrown a fraudulent and gigantic conspiracy, and reduced the taxation from over $15,000,000 in 1875 to less than $8,000,000 in 1876, with an assurance that if the changes he has suggested are followed the decrease will be two or three millions more in 1877! A part of this reduction is due to the extinction of the bounty debt, but the rest to Gov. Tilden's direct efforts and influence.

I have said that Mr. Tilden was more of a partisan than suited my own temperament, but I ought in justice to add that he was never so much of a partisan as to render him insensible to the higher duties of the citizen. He separated from the bulk of his own party in this city, with other Free Soilers of this State, when we thought it advisable to protest against certain encroachments of slave power. He separated from the bulk of his party when he undertook to beat down the infamous Tweed gang, intrenched by the laws, and possessed of an almost overwhelming force. It was against the advice of many of the most eminent men of his own party that he assailed the Canal Ring, whose ramifications extended through nearly every county in the State, and whose wealth and influence were supposed to be invincible. And it was against a large and well combined faction of his own party that he lifted it at St. Louis out of the quagmires of doubt and error in which it was floundering, and placed it on the high ground of its ancient traditions. Mr. Tilden is cautious and wary, and never acts until assured of foothold on truth and right; but then he is as tenacious in pursuit as a sleuth hound, and absolutly inflexible.

THE ST. LOUIS PLATFORM HIGHLY COMMENDABLE.

The platform adopted at St. Louis reads to me, from beginning to end, as an earnest and vigorous cry for a better condition of things. It is clear, outspoken, and positive, evading no real issues and treating those it touches with refreshing boldness and decision. The philosophy of politics which pervades its general utterances is, to my mind, the soundest, greatest, truest that the human mind has yet attained. It is the philosphy on which our institutions are distinctively built. The enormous centralization which has grown up since the war, almost imperceptibly, perhaps—it denounces as the most formidable danger in our existing position; and while it frankly and manfully accepts the war, and the legislative results of the war, in a permanent and unchangeable settlement of a conflict now forever past, it demands a thorough regeneration of essential political practice and doctrines. It demands a reduction in the public expenditures; it demands a readjustment of our costly and oppressive modes of taxation: it demands a cessation in the profligate misuse and waste of the public lands; it demands a reorganization of the civil service, which is a fruitful source of the prevailing corruption; it demands a change in the bad practice which has rendered appointments to office the reward for service to Congressmen and Senators; it demands frugality, simplicity, capacity, and honesty in all public offices; and last, though not least, it demands, in the place of that imbecile, dilatory, inefficient, and deceptive policy which has hitherto marked the treatment of the currency problem, instantaneous, active, systematic, and rigorous effort for the restoration of a sound financial condition.

THE CURRENCY PLANKS COMPARED.

Let us consider the doings of the late conventions in respect to this most important point. Here is, first, the resolve passed at Cincinnati:

> In the first act of Congress signed by President Grant the National Government assumed to remove any doubts of its purpose to discharge all just obligations to public creditors, and solemnly pledged its faith to make provision, at the earliest practicable period, for the redemption of United States notes in coin. Commercial prosperity, public morals, and national credit demand that this promise be fulfilled by a continuous and steady progress to specie payments.

When this resolution was reported by Gen. Hawley, Chairman of the Committee on Resolutions, Mr. Davis, of Texas, of the minority of the Committee, moved a substitute, declaring distinctly that their should be no further postponement of the resumption of specie payments beyond the date already fixed by the

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law of Jan. 14, 1875. He remarked that a resolution of the majority was indefinite, and that the effect of it would be to "remit the question involved to the domain of vague promise." Gen. Hawley opposed the substitute, on the ground, first, that "in dealing in principles for the guidance of a party for a year or for four years it is best to confine yourself to a declaration of them, and not tie yourself to mere details;" and, secondly, it was doubtful "whether the Resumption Act could be carried out in two years from next January." He argued that the requisite legislation could not be perfected in time to compass the result, and that it would only embarrass the canvass by the recognition of a law which might prove altogether impracticable. He would not himself vote for it in Congress, and he could not call upon the people to support what he could not vote for. Gen. Hawley's view prevailed; the substitute was rejected, and the fixed day, which certain orators hold "a sacred pledge," was quietly abandoned for "a continuous and steady progress to specie resumption." What was meant by this phrase we may, perhaps, gather from the reference in the outset of the resolution to the Act of 1869—when "the progress" was begun, and which in seven long years "steady and continuous" movement has arrived at this wonderful conclusion, that we ought to go on in the same way—that is, in doing nothing.

What said the Democrats on the same subject?

Reform is necessary to establish a sound currency, restore the public credit, and maintain the national honor.

We denounce the failure for all these eleven years of peace to make good the promise of the legal-tender notes, which are a changing standard of value in the hands of the people, and the non-payment of which is a disregard of the plighted faith of the nation.

We denounce the improvidence which, in eleven years of peace, has taken from the people in federal taxes thirteen times the whole amount of the legal tender notes, and squandered four times their sum in useless expense, without accumulating any reserve for their redemption.

We denounce the financial imbecility and immorality of that party which, during eleven years of peace, has made no advance toward resumption, no preparation for resumption, but instead has obstructed resumption, by wasting our resources and exhausting all our surplus income; and while annually professing to intend a speedy return to specie payments, has annually enacted fresh hinderances thereto. As such a hinderance we denounce the Resumption day clause of the act of 1875 and demand its repeal.

We demand a judicious system of preparation by public economies, by official retrenchments, and by wise finance, which shall enable the nation soon to assure the whole world of its perfect ability, and its perfect readiness, to meet any of its promises at the call of the creditor entitled to payment.

We believe such a system, well defined, and above all, intrusted to competent hands for execution, creating at no time an artifical scarcity of currency, and at no time alarming the public mind into a withdrawal of that vaster machinery of credit by which 95 per cent. of all business transactions are performed—a system open, public, and inspiring general confidence, would from the day of its adoption bring healing on its wings to all our harrassed industries, set in motion the wheels of commerce, manufactures, and the mechanic arts, restore employment to labor, and renew in all its natural sources the prosperity of the people.

It is proper to recall before we scrutinize the scope and meaning of these phrases that were so stoutly opposed, both in committee and convention, by the inflationist leaders. Whatever their real purport, these men saw in them a flat contradiction of their own schemes. Gen. Ewing and Mr. Voorhees, who spoke for the minority, denounced them as a complete surrender to the hard-money theorists. The former, in order to obtain a partial recognition of his ways of thinking, moved a substitute proposing a repeal of the whole Resumption Act "forthwith." Mr. Dorsheimer, of the majority of the committee, refused to accede to it, saying: "I propose right here to make a straight issue between hard and soft money. By that we stand or fall." He was sustained by the Convention, and the substitute rejected by a vote of more than two and a half to one—550 to 219. The result was regarded as a decisive victory for the advocates of the sounder doctrines. I cannot doubt that such is the right interpretation of the result; for I discover that these resolves are mainly a summary of the teachings of Gov. Tilden, to be found in his luminous messages to the New York Legislature, wherein he speaks in no ambiguous language. Gov. Tilden was originally opposed to the issue of irredeemable notes, and counseled Secretary Chase against the expedient, which he averred would greatly enhance the cost of the war, and lead to the embarrassments and disasters we have since experienced. When they were once issued, he insisted that they should be held redeemable at all times in the interest-bearing obligations of the government, which Mr. Spaulding, the author of the Legal Tender act, tells us was the original intention of its framers. At the close of the war, one of his grounds of quarrel with the party in power was, that it did not at once engage actively and efficiently in preparations for their redemption. The process, as he showed at great length in his messages, was easy and practicable, providing it should be persistently pursued. Demon-

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strating with the clearest perception of the fundamental principles of currency, that even after the reaction of 1872 began a moderate issue of greenbacks would do no good, or have no effect toward arresting it, while an indefinite issue would provoke additional disaster, he advised, in the first place, that the revenues of the government be increased so as to produce a surplus without resorting to new taxation; secondly, that a sufficiency of gold should be amassed in the treasury, from our outflowing streams or from markets abroad, to form an adequate reserve to meet the demand for exportation, and to assure the people that the supply would not be exhausted; and, thirdly, that the legal tenders be converted into interest-paying investments on terms the holders would accept, and in such ways as would keep the aggregate amount of the currency self-adjusting during all the process, without creating an artificial scarcity, and without disturbing the natural operations of business.

WISE SUGGESTIONS BY THE DEMOCRATS IN REGARD TO THE CURRENCY.

Now, in the light of this brief exposition, it will be seen that there is a wide difference in the treatment of the currency question by the two platforms. The one simply evades it by a barren generality; the other meets it with wise practical suggestions. The one simply says that we are to get at the end, the resumption of specie payments, some time or other, in some way or other not disclosed; the other, that we must set about it, not by promises, but by actual preparations. The Democratic symbol is much the more explicit, full, and peremptory. It states the end to be aimed at, viz., "to establish a sound currency, to restore public credit, and maintain the national honor." It denounces the legal-tender notes for the first time in any political credo, as broken and dishonored promises. It points to the means for their redemption—"economy, retrenchment, and wise finance"—and it arraigns the party in power for their dilatory, unmeaning, and futile pretexts, which have fed us with words without deeds, and delayed and hindered recovery to the detriment of every business interest. I am aware that many men of excellent judgment and purpose hold that the clause of the law of January, 1875, designating a precise day for resumption, is the shibboleth of the whole cause. Our eloquent colleague, Mr. Schurz, though he denounced the general law in the Senate as a mere decree which would accomplish nothing, has come to regard this clause as a pledge of our national faith and honor. But I cannot so look at it. That clause, like the law itself, was passed in the ordinary course of legislation, and only engages us to resume at a given time, provided that such resumption is found to be possible and practicable. If, however, it should turn out that it is not possible or practicable, it ought to be repealed. The whole thing, as Gen. Hawley said, and the Republican Convention enacted, is a question of detail, and not of principle. Resumption itself is a question of principle and a question of honor; but the exact time for resumption, the specific measures, the discreet preparations, are, as Gov. Tilden argues, business questions to be dealt with, in view of the state of trade and of credit operations in our own country, the course of foreign commerce, and the condition of the exchanges with other nations, the amounts of the precious metals, and the stocks from which a supply would flow without undue disturbance of the markets of other countries. All these are considerations for practical administrative statesmanship, and are not materials for party cries and the hullaballoo of a heated electoral canvass.

The designation of a particular day for the performance of an act, in an adverse or torpid state of opinion, may have a beneficial effect in stimulating the necessary preparations; but it may have also a contrary effect by lulling opinion into a false security by means of a promise when the circumstances demand deeds. Mr. Edmund Dwight, of this city, one of our ablest and most experienced financiers, a Republican and a contractionist, in a most elaborate and carefully considered discussion of the subject (see *Evening Post* of March, 1876), reviewing the experiences of other nations, as well as our own, showed that, while the law itself was unconstitutional, this particular clause was equivocal and delusive. It could not, under any circumstances, be executed, and would only involve us in new failures and confusions, putting off indefinitely the period of resumption. Other high authorities share Mr. Dwight's opinions, and, if they should turn out to be well founded, we are put in the position of those wreckers who wave their flags to the storm-tossed mariners ostensibly to show a port of safety, but in reality to lure them to a more certain destruction.

AN OBJECTION CONSIDERED.

But admitting Tilden to be all right, there is Hendricks, nominated with him for the Vice-Presidency! Now the Vice-President has no legislative function

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whatever, save in one not very probable contingency—the death of the President. Mr. Tilden is of a long-lived family, has never had any organic disease, is in good health, of temperate and active habits, and likely to live out the ordinary span of life. But supposing he should not, Mr. Hendricks, in accepting the nomination, puts himself upon the Democratic platform. He may, like Mr. Ferry, whom a Republican Senate made Vice-President, have entertained loose notions of money; he may, like Mr. Morton, one of the leading candidates at Cincinnati, have given in unduly to a transient hallucination of his State; he may, like Mr. Sherman, Chairman of the Finance Committee of the Senate, prefer greenbacks to bank notes; but whatever his views in these respects, he now stands up for the principles enunciated at St. Louis, which are henceforth the accredited creed of his party. Unless a thoroughly base and dishonest man, which no one has yet averred, he must abide by the policy to which he is so solemnly committed.

CONCLUSION.

And now, appealing to every impartial member of the Conference to dismiss his ancient party animosities and prejudices, I ask him to consider the words of our address describing the political situation as I have just quoted them; I ask him to consider the demands it made of the Conventions, and the character of the candidates it presented, as a *sine qua non;* and then say which of the parties has most nearly met the requirements. The Republican party, which is responsible for the greater part of the wide-spread demoralization, is substantially unchanged. It will be for the next four years what it has been for the past eleven years. A candidate chosen expressly for his neutral qualities will not direct its tendencies or infuse vigor or consistency into its councils. Its leadership will continue to be, as heretofore, in the hands of its Blaines, its Conklings, its Mortons, its Camerons, its Logans, and its Kelleys. On the contrary, the Democratic party, abjuring its former errors, and rising to the full demands of the situation, puts itself into essentially new hands. Its standard-bearer, a sagacious, prudent, most accomplished statesman, inured to management and fresh from desperate conflicts with the enemies of pure government, has lifted it to a higher plane of faith, and will also lift it to a higher plane of practice. But he must be sustained by good men everywhere who sympathize in his objects. He has brought us the re-enforcement of a mighty organization ready to adopt our cause and to fight our battle;—can we turn it away? Can we, sinking into the blindness of mere partisan feeling, neglect this glorious opportunity, which puts an overwhelming vote at our disposal for the rescue of the government? I do not see how there can be two answers: but be that as it may, I, who have for many years stood by this noble man, and been the eye-witness of his gallant fights with "the beasts at Ephesus," would be recreant to the labor and aspirations of my whole life not to lend him my heartiest support.

PARKE GODWIN.

ROSLYN, L. I., July 18, 1876.

WHY CHARLES FRANCIS ADAMS WILL VOTE FOR GOV. TILDEN.

[*From the Sun.*]

QUINCY, Aug. 5, 1876.

H. F. MCDERMOTT, Esq., *Jersey City:*

DEAR SIR: I am one of the class now denominated Independents, asking no favors and voting for the best men without regard to party lines. I propose to retain my position. But as to the choice offered me between Mr. Tilden and Mr. Hayes, though having no prepossessions against either, I do not hesitate to say that the former is far the most fitted to meet the emergency in our politics, in my opinion, and I intend to vote for him.

Very truly yours,

CHARLES FRANCIS ADAMS.

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TILDEN AS A RING-BREAKER.

THE TWEED RING AND THE CANAL RING.

THE TWEED RING.

Republican newspapers have sought to create the impression that Governor Tilden did not attack the Tammany Ring until its doom was already apparent; that he waited long enough to make sure that he was not attacking a power that might yet destroy him, and then claimed the whole honor of its overthrow. The truth is exactly the reverse of this. It can and will be shown that Governor Tilden attacked the Tweed Ring while it had control of all departments of the State and City governments, owned both parties in the Legislature, and had a willing or ignorant tool in the *New York Times*, which years afterward published facts which came into its possession with regard to the Ring, and has since attempted to seize the credit of the destruction of that gigantic conspiracy. Its claim is false and impudent. The overthrow of Tweed and the Tweed Ring is due to Samuel J. Tilden and Charles O'Conor.

The Tweed Ring originated in the Board of Supervisors, created in 1857 by a Republican Legislature and Governor, but it did not reach its full organization and growth until 1869, when Oakey Hall became Mayor. The *New York Times* published two years and a half later accounts largely fraudulent amounting to $11,000,000, of which one-third were passed in 1869, nearly two-thirds in 1870, and the remainder in 1871. In 1869 the open attacks of Mr. Tilden upon the Ring and its return blows at him began long before the *New York Times* ceased to be its ally, for at that time many seemingly respectable papers and men succumbed to its corrupt and dreaded influence. So far from Mr. Tilden's being hand and glove with these men, as Republican newspapers charge, the hostility between them began as soon as the Ring began to form. Mr. Tilden opposed one of their schemes of plunder as early as 1863, years before he was made chairman of the State Committee, and they became bitterly hostile to him in consequence. During the rule of the Ring Mr. Tilden usually appeared in State conventions as a delegate from his native county, Columbia, because the Ring would not allow him to go from New York City.

Mr. Tilden has himself stated why he took the position of chairman of the State Committee:

> "I desired to save from degradation the great party whose principles and traditions were mine by inheritance and conviction; and to make it an instrument of a reaction in the community which could alone save free government. Holding wearily the end of a rope, because I feared where I might go if I dropped it, I kept the State organization in absolute independence. I never took a favor of any sort from these men, or from any man I distrusted. I had not much power in the Legislature on questions which interested private cupidity; but in a State convention, where the best men in society and business would go, because it was for but a day or two, those with whom I acted generally had the majority."

At this period neither Mr. Tilden nor the general public could sustain any definite charges against members of the Tweed Ring. He had no faith in them, and they feared him. They determined to get rid of him as chairman of the State Committee, and get the organization into their hands. They made their attempt in the State Convention of 1869; Mr. Tilden fought them, and carried seven-eighths of the convention to their one. Before this he had denounced in the courts the orders of the infamous Judge Barnard, in certain cases in which Tweed was interested—Tweed's son being also Barnard's receiver,—in the terms they deserved, and had begun the movement for judicial reform, which ended in the impeachment of Tweed's worst judges.

The elections of 1869 gave the Democrats the law-making power for the first time in 24 years. The Tweed Ring would rather have had a Republican Legislature. The latter they could always corrupt, while the control of a Democratic Legislature might be taken out of their hands through the party machinery. The infamous Tweed Charter for the City of New York finally made its appearance in the Legislature of 1870, and its progress was rapid. It was well understood that it would pass, because it was known that a very large sum of money would be expended to carry it. It is said that $1,000,000 was taken to Albany to carry this charter, much of which was

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doubtless pocketed by the people who handled the money. Notwithstanding the certainty of its passage, Mr. TILDEN went to Albany—this was in the Spring of 1870—and denounced it in a fearless speech before Tweed, who was himself chairman of the Senate Committee on Cities which was to pass upon the charter. He branded it as a charter that would put self-government in New York City "in abeyance for from four to eight years," creating a "Mayor without any executive power, a Legislature without any legislative power, and elections without any power in the people to *affect* the Government for that period" This speech enraged Tweed, who vowed that he would depose Tilden from the State Committee, but was warned by prominent Democrats not to attempt it, and thought better of it. The charter passed with the vote of every Republican Senator save one, and received a large Republican vote in the Assembly. Judge Noah Davis, a leading Republican judge, was the authority given for the statement subsequently, that six of these Republican Senators—the leaders—received $10,000 each for the charter, $5.000 each for similar bills that year, and $5,000 for like services the following year. The *New York Times* pronounced the passage of this infamous bill—against which Horace Greeley, Jackson S. Schultz, William M. Evarts, and other Republicans, protested, with Mr. Tilden, and which put the City of New York absolutely at the mercy of the most powerful and most unscrupulous of Rings—a "most important and salutary" work, and two days after said of another project that "Senator Tweed was (is) in a fair way to distinguish himself as a reformer," and added: "We trust that Senator Tweed will manifest the same energy in the advocacy of this last reform which marked his action in regard to the charter." The following day, April 9, 1870, Mayor Hall appointed Tweed, Sweeney and Fields to the most important offices under this charter, and the *Times* said that the appointments "are far above the average in point of personal fitness, and will be satisfactory." Within less than a month the great robbery of the Tammany Ring was committed under this charter, passed over Mr. Tilden's opposition, aided by Republican votes, and approved by Republican papers like *The New York Times*. The Board of Special Audit, consisting of Hall, Tweed and Connolly, held the only meeting it ever held, and audited bills amounting to **$6,312,000,** of which about 90 *per cent. was theft.* This was only a part of the money stolen under this charter, opposed by Mr. Tilden and favored by *The Times*. From April to December, 1870, the aggregate of fraudulent bills was **$12,250,000,** and in 1871 **$3,400,000.** Of this **$14,000,000** was sheer plunder. The ring had now gained what seemed absolute control, and every one hastened to make relations with it. Even Senator Conkling and George William Curtis, addressing the Republican Convention, had nothing to say against it. They could not, in the face of the action of their party associates. Mr. Tilden stood alone.

The Ring had now absolute control ot all departments, all Courts below the Court of Appeals and the State Government. Mr. Tilden saw that its power must be broken by the same means by which it was obtained—its hold on the Legislature must be destroyed. The Ring feared his attacks, and distinctly proposed to allow Mr Tilden to name all the delegates from New York to the State Convention of 1871, so as to have no contest. He refused, and made the objective point of the campaign of 1871 the capture of the New York City delegation in the Legislature. He sought the aid of distinguished Democrats like Charles O'Conor, Horatio Seymour, Francis Kernan, and Oswald Ottendorfer. With Mr. O'Conor was arranged the plan for suits against the Ring, which was afterward carried out. This was all done before the Committee of Seventy, the association of citizens, was formed. Early in September Mr. Tilden issued a letter to 26,000 Democrats throughout the State, calling on them "to take a knife and cut the cancer out by the root." Comptroller Connolly was now alarmed, and was anxious to betray his associates of the Ring, if he could receive immunity. Mr. Tilden, by study of the law, found that the Comptroller could appoint a deputy and confer upon him for a definite period all his powers; Andrew H. Green, Mr. Tilden's life-long friend, who has since been Comptroller of New York, was made Connolly's deputy; and thus the key of the whole position passed into the hands of the Reformers. The Compiroller could refuse to pass bills, and could make public all expenditures. By this master-stroke of Mr. Tilden's, not only was an end put to the thefts of the Ring, but the means were provided for the collection of the proofs on which Tweed and others were afterward tried. The Ring now tried to force Connolly to resign, so that the powers of the deputy might cease, and then assumed to remove him. Mr. Tilden checked this last attempt with a legal opinion which he obtained from Charles O'Conor. Mr. Tilden was watching the Ring unceasingly, and a carriage stood at his door night and day, ready to take him to an honest and fearless judge who would vacate fraudulent orders by Ring judges as fast as they were granted. In the State Convention that month Mr. Tilden did not have the success he had hoped for, but he boldly announced that he should oppose the Tammany nomination for the Legislature from New York City. He did not relax his efforts for

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a moment. He worked hard during the whole of this campaign, made agreement with Charles O'Conor and William M. Evarts that they should be candidates for the Legislature to continue the fight there, and when they abandoned the intention, went alone. On the eve of the election Mr. Tilden furnished $10,000, for booths and ballots to the Reform organization, and raised as much money for the contest, including his own contributions, as the whole Committee of Seventy, composed of wealthy men and representing all the citizens of New York City without distinction of party, raised for the same purpose from a community of a million people. This election was a Waterloo to the Ring, and its power was completely broken.

It now only remained to obtain judicial proofs of the frauds. These Mr. Tilden got by a laborious examination of the books of the Broadway Bank, which occupied ten days, and absorbed all the energies of himself and five assistants. Mr. Tilden himself analyzed the results, and discovered, from a skillful and intelligent study of the great mass of figures, that but one-third of the amount of the fraudulent bills had reached the persons in whose names they had been made out, and that two-thirds had been divided among the public officers and others composing the Ring. Mr Tilden also traced some of these dividends directly into the hands of some of the thieves. This examination furnished judicial proof, and was the only one which did so. *On this evidence, and on Mr. Tilden's affidavits, the action brought by Mr. O'Conor, acting for the Attorney-General of the State, was founded.* The *New York Times* said, October 28, 1871, in referring to the Broadway Bank investigation: "Here we have, thanks to the labors of Mr. Samuel J. Tilden, full and complete evidence that William M Tweed differs from a common thief only in having stolen tens of thousands instead of tens of dollars." The *Times* had now published its figures, and was fiercely assailing the Ring whose charter it had the year before approved. Some notion of the skill with which these thefts were committed, and the difficulty of detection, may be had when it is learned that Sweeney's share, and the devious ways by which it reached him, were only discovered after an investigation of six months, made by an expert under Mr. Tilden's direction.

At the great Reform meeting in Cooper Institute during this campaign, Mr. Tilden, although Chairman of the Democratic State Committee, advised a union of all elements against the Ring, without reference to State or national politics. For this he was bitterly denounced; but the result was, that nearly 40,000 Democratic votes were cast for the Reform ticket, and, under the weight of them, the Ring was crushed.

After the election he continued his investigations until the opening of the Legislature, of which he had been almost unanimously elected a member, and at every interval afterward which he could command. *Nearly every judicial proof obtained in the suits against the Ring was derived from these investigations, made personally by Mr. Tilden.*

In the Legislature Mr. Tilden devoted himself to the work of driving Tammany judges from the bench. The infamous Barnard was impeached and convicted, and the no less infamous Cardozo was compelled to resign. What was said before of Mr. Tilden's unwillingness to claim the credit of his work, can be illustrated here. When the Bar Association of New York, sent their memorial to Mr. Tilden, then in the Legislature, as the most prominent representative of the movement for judicial reform, he sent it back, suggesting that it be put into the hands of a prominent Republican, because the work might prosper better in his hands.

Mr. Tilden had thus far devoted *sixteen months* of unremitting and exhausting labor to this task, giving up all his immense private practice, and suffering a loss of actual income, together with the expenditures involved, amounting to what would be a handsome endowment of a public charity.

Even when the Tweed Ring had passed into the hands of the Courts, Mr. Tilden did not relax his efforts to aid the prosecution, and when he became Governor his first work was to carry through the Legislature bills facilitating the prosecution of unfaithful public officers, under which successful suits were brought against the Ring. In one action against Tweed, brought under these laws, $600,000 was recovered. He also pardoned Ingersoll, by whose testimony an important suit against Tweed was won. This plain statement of facts which cannot be disputed, and which could be fortified by countless details if it were necessary, shows—

I. That Mr. Tilden began the attack on the Tweed Ring.

II. That he began the attack when the Ring was at the height of its power, and was in complete control of every branch of the City and State governments.

III. That, while enjoying one of the largest and most lucrative legal practices in the country, he gave up sixteen months of his time to the work of destroying this powerful combination.

IV. That he finally succeeded in turning 40,000 Democratic voters against it and overthrew it.

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V. That his personal investigations furnished almost every item of legal proof on which the suits against Tweed and his guilty confederates were founded, and that he arranged the machinery by which these suits were brought.

VI. That he drove Tammany judges from the bench, and perfected legislation by which official plunderers might be punished.

THE CANAL RING.

The Canal Ring of the State of New York was a much older organization than the Tweed Ring. Its career was more prolonged, and the territory it covered was larger, though its operations were not of such magnitude. Nevertheless, it was an organization more powerful for evil in the politics of the State. It was a clique of contractors, who, by means of fraudulent devices in contracts for repairs, &c., by false measurements, estimates and audits, plundered the canals of their immense revenues. To secure confederates, the Ring joined itself to both parties, nominated, where it could, all canal officers, and took care to have a sufficient proportion of its friends in the Legislature, and also to have the canal appropriation committees made up of its tools. This secret combination, which always avoided publicity and display, had an immense influence in the politics of the State, and especially in the Democratic party, and dated back many years in its history. It was this powerful organization which Mr. Tilden conceived it to be his first duty to attack on taking the Governor's chair. In his first annual message to the Legislature he asked for the passage of laws facilitating the punishment of official defaulters and peculators, which had been prepared by himself and Charles O'Conor. While the public understood that these had been framed especially to enable certain suits to be brought against the Tweed Ring, they did not know that they were framed, while intended to cover all such cases, with especial reference to the Canal Ring, which Governor Tilden was getting ready to expose. In this message he has outlined his policy of administrative reform which he has steadily adhered to since. Meanwhile he was collecting his proofs, and on the 18th of March, 1875, addressed to the Legislature a long and able message, describing in detail the method of frauds practised for many years upon the canals, showing the extent to which the robberies of the Ring had run the State in debt, and asking an investigation. The disclosures made by his message aroused a storm of indignation throughout the State, and the frightened Ring, though having great influence in the Legislature, could not prevent an investigation. A commission was appointed, headed by John Bigelow, which devoted the remainder of the year to the investigation, and disclosed astounding frauds. So much of the fraud had been accomplished through Acts of the Legislature and awards of boards, that the work of obtaining judicial proof was difficult almost beyond belief, but the Commission, by dint of great industry and skill, succeeded in unearthing and proving great thefts. The facts they obtained were reported to Governor Tilden as soon as they could be got into proper form, and were by him at once transmitted to the Attorney General, with instructions to bring suits. These suits are now pending in the Courts, and, if successful, will restore large sums to the treasury of the State. This is only a part, however, of the results achieved. Governor Tilden's disclosures not only destroyed forever the political influence of the Ring, but put an immediate stop to its fraudulent practices, and the triumph of his Reform ticket at the Fall election of 1875 put the canals under the charge of honest men. The reform in the management of the canals is complete; the work of punishing the thieves still goes on as fast as the Courts can reach it.

The result of Gov. Tilden's action was seen at once in the appropriations for that year, as well as elsewhere. Notwithstanding his recommendations for retrenchment in his annual message, the appropriation bill for ordinary repairs, as it passed the Canal Committee of the Senate, was nearly as large as in 1874. The bill for extraordinary repairs, or new work, promised also to be nearly as large as that of 1874, appropriating nearly $2,000,000. At about this time the special message on the canals was sent in. The result was that the appropriation for ordinary repairs was reduced $200,000 below that of the year before, and, counting the provision made for deficiencies, **$415,630.** The appropriations for new work were reduced from **$2,000,000** to **$365,000,** and the balance was vetoed by the Governor. Other appropriations were also vetoed by the Governor, amounting to $400,000, the whole reduction being **$2,400,000.**

Some notion of the extent of the robberies of the Canal Ring may be gathered from the statement, that while the total revenues of the canals of the State since their construction, had amounted, including gains resulting from the management of the sinking funds, at the close of the last fiscal year to **$138,407,129,** the total payments, including the cost of construction, were **$167,003,357,** leaving a deficiency of **$28,596,228.**

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This was the premium paid by the State of New York in taxes in 50 years to secure and encourage the use of these water-ways, amounting to a subsidy each year of **$560,000.** Part of this was doubtless honest deficiency, but there is no reason to doubt that much of it was the result of fraud. These were the totals of the canal revenues and expenditures during 1875, the year in which Gov. Tilden exposed the Ring:

Receipts		$1,902,090
Expenditures:		
Repairs and maintenance	$2,247,297	
Damages	305,796	
		2,553,093
Balance against the State		$650,103

This amount, however, did not include the interest on the canal debt, the cost of collections, and the difference between the miscellaneous receipts and expenditures. Including these, the loss to the State during the fiscal year of 1875, was $1,412,470. One of the favorite devices for fraud on the canals was that of building vertical wall where slope wall only was required, the first kind being much more expensive. The investigations of the Canal Commission showed that in six years the State had been robbed in this way of **$1,300,000.** The Commission, beside disclosing all the rottenness of existing canal management and destroying it, proved improper payments to the amount of **$398,875.** They showed that the amount expended on new work on the canals in the six years which their investigation covered was **$8,444,824,** of which a good share was undoubtedly fraudulent. They detected, exposed, and drove from his office the Republican Auditor of the Canal Department, who had been carrying on a brokerage business in the obligations he was required by law to audit, and was "shaving" them to the amount of hundreds of thousands of dollars. Now all this is changed. The canals of New York are managed under Gov. Tilden's administration with the same strict business economy and honesty as if they were a private enterprise in private hands. Gov. Tilden's motto has always been that the government existed for the people, not the people for the government.

IN IMPROVING METHODS OF ADMINISTRATION.

Gov. Tilden builds up after tearing down. After ridding the City of New York of the Tweed Ring, he saw the necessity of erecting every possible barrier to the formation of Rings in future, both in that and other cities. He therefore addressed a message to the Legislature in 1875, calling their attention to the crushing burden of municipal debts, the need of restricting municipal expenditures, and lightening the load of local taxation, and the necessity of providing some uniform and economical system of government for the cities of the State. This message showed the aggregate debt of the twenty-four cities of the State to be **$175,000,000;** the aggregate of city taxation, **$36,000,000;** the aggregate county and State taxation, **$13,000,000;** the aggregate of taxation, **$50,000,000.** The Legislature authorized Gov. Tilden to appoint a commission, which he composed of many of the ablest lawyers and most distinguished specialists in the State, without regard to party. This commission has now been at work for more than a year in preparing a general charter for all cities in the State, which is expected to put an end to many of the worst abuses now existing in municipal governments.

Gov. Tilden's exposure of the Canal Ring blasted all the projects of the Ring, and put an end to the wasteful expenditure of the people's money. But, not content with this, Gov. Tilden, during the winter of 1876, urged upon the Legislature a number of improvements in the canals which would greatly increase their carrying capacity, and which could be made with the money—*the corrupt expenditure of which on the canals his disclosures had prevented.* Measures were at once taken to carry these recommendations into effect, and to introduce further reforms in the canal management.

IN REDUCING TAXATION.

In 1874, the year in which Mr. Tilden was elected Governor of New York, the State tax amounts to	**$15,727,482**
In 1876, the State tax amounts to	**8,268,196**
Reduction	**$7,459,286**

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This remarkable reduction of taxes is very largely a direct result of Gov. Tilden's work in administrative reform in New York. He had been in office less than three months when he made his exposure of the Canal Ring, which compelled, by the storm of public indignation it aroused, a marked reduction in the appropriations for the canals, especially for new work. Gov. Tilden was not, however, satisfied with this reduction, and vetoed many items in the canal re-appropriation bill, and vetoed the whole bill, making appropriations for new work. The result was that no tax was levied in 1875 for canal purposes, such appropriations as were made being paid out of accumulated funds. These are the items on which a reduction of taxes was effected:

REDUCTION IN 1875.

	1874	1875	*Reduction.*
New work on canals	$1,898,144	none	$1,898,144
Asylums and Reformatory	813,490	479,800	333,690
General purposes	4,189,475	3,696,117	493,358
Total			**$2,725,193**

Gov. Tilden, in vetoing the bill for new work on the canals, expressed the opinion that of the $11,000,000 expended under that head during the last five years, probably not more than *one-fourth* had resulted in any practical good to the State. The reduction in the appropriations for asylums was made, with Gov. Tilden's concurrence, with a view to expending only so much as would put the completed portions of these costly institutions in condition for actual use. The reduction of half a million in the appropriation for general purposes was due very largely to Gov. Tilden's recommendations and vetoes. The figure named above represented what would have been the reduction if the State Assessors had not increased the valuation, and thus increased the amount of taxes received. The result, however, was to leave a surplus to aid in the reduction of taxes the following year. The actual reduction was **$1,520,801,** and the surplus to be devoted to the reduction of taxes the following year was **$1,033,875.**

REDUCTION IN 1876.

In Gov. Tilden's last annual message, he laid before the Legislature a statement of the way in which, in his judgment, the taxes for 1876 might be reduced to *one half the total of* 1874, without detriment to the public interests. He showed that while $4,458,888 had been necessary for payments on the State debts in 1874, only $2,353,356 was necessary in 1876, one of these debts—the bounty debt—having been largely reduced, and that, therefore, a reduction under this head was to be had of **$2,105,531.** The reduction which could be made in canal expenditures he estimated at **$2,200,000,** cutting down the appropriation for new work, as before, from $1,898,144 in 1874, to nothing, and the amount necessary to pay canal appraisers' awards—a favorite channel of fraud with the Ring—from $474,536, in 1874, to $172,680 in 1876. The reduction by means of the surplus taxes of 1875 would be **$1,033,875.** The same economy in appropriations for asylums as was pursued last year would, he showed, with one or two other items, bring the total of the reduction in taxes for 1876 to **$6,009,496.** In order to effect a diminution of one-half, there remained to be effected out of the other appropriations, which usually amounted to about $8,000,000, a reduction of $1,854,244, or a little less than one-quarter of the amount. This saving was effected, substantially, by different economies recommended by Gov. Tilden.

Governor Tilden's message estimated a tax for 1876 of **$7,863,741;** the tax actually levied was **$8,268,196.** The entire savings recommended by him in his message would have been worked out to the letter, and the tax would have fallen even below his estimate, if the tax for schools had not been increased $276,000 by an increased valuation applied to a system which makes the assessors the real arbiters of the amount of the tax, and which has increased it a million in the last few years; and if the decision of the United States Supreme Court against the legality of the emigration laws, had not made it necessary for the State to appropriate to the Emigration Commission $200,000, in reality a loan. Making allowance for these, the total saving is **$7,936,155.** Three-quarters of a million dollars was realized to the State to aid in these reductions by disposing of securities held by the State which were at a premium in the market.

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As may be seen by the foregoing statement, $1,712,830 of the whole saving is in the diminished payments on the State debts. All the remainder, more than **$6,000,000,** or nearly **80** per cent., *is in real economies.* This brief statement shows the items:

The application of saving from former taxes, and from the expenditures for which they were levied, furnishes $1,949,004.

The saving in canal taxes is **$2,372,680.** The taxes for these purposes were in

	1874.	1876.
New work	$1,898,144	None.
Awards and expenditures exceeding appropriations,	474,536	None.
	$2,372,680	Nothing.

The general expenses, including the new capitol, asylums and reformatories, were:

1874	$6,087,620
1876	4,005,887
Saving	**$2,081,733**

RECAPITULATION.

Saving applied	$1,949,124
Canal retrenchments	2,372,680
General retrenchments	2,081,733
Total	**$6,403,527**

SAVINGS IN CANAL EXPENDITURES.

The ordinary repairs of the canals are paid out of their revenues, and retrenchment in this particular does not affect the tax account, though it lightens the burdens of the people. In the ordinary repairs a saving was effected in 1876 over 1874 of $397,031, and in re-appropriations of $917,379. The total reductions in canal expenditures in 1876 over 1874 are as follows:

New work	$1,898,144
Ordinary repairs	397,031
Awards and outlays in excess of appropriations	474,536
Re-appropriations	917,379
	$3,687,090

EIGHT MILLIONS THE TOTAL SAVING.

The actual saving from taxation given above, $6,403,537, inadequately represents the saving in 1876. The following expenditures, although they come from the revenues and funds of the State, ultimately affect the taxes:

In 1874, the expenses for ordinary repairs were	$1,674,510	
In 1876, they were	1,277,479	
Making a saving in 1876 of		$397,031
In 1874, the re-appropriations of cash already in treasury were	$917,379	
In 1876, they were	None	
Making a saving in 1876	$917,379	$917,379
Another saving of		$1,314,410
Add actual saving from taxation		$6,403,537
Total Saving in 1876		**$7,717,947**

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Thus, leaving entirely out of account the contributions to sinking funds, it is evident that retrenchments alone have saved the State in 1876, under Gov. Tilden, over the amount in 1874, under Gov. Dix, the immense sum of **$7,717,947.**

In addition to these sums, the reclamations from expenditures going on when Gov. Tilden came in, under appropriations made in 1874, and provided by taxation, were	$1,604,000
Deduct part included in foregoing statements	754,207
Balance	$849,793

This reduction has been accomplished, notwithstanding the increase of $276,869, in the school tax, and the advance of $200,000 to the Emigrant Commission.

The Reduction of Taxes is nearly **$8.000.009.**

THE WHOLE SAVING IS MORE THAN **$8,000,000.**

A PERMANENT RETRENCHMENT.

This is a permanent saving, not a temporary retrenchment, to be paid for subsequently in increased taxes. Governor Tilden's own words:

"The people may have the satisfaction of feeling that while half of their State taxes are remitted—$8,000,000 out of $16,000,000—it is accomplished without improvidence of the future or temporary retrenchment which cannot be maintained; and that the appropriations have been kept clearly within the means provided by the taxes levied; so that no temporary floating debt will be created or invasion of the sinking fund made, as has often and to a large extent, happened hitherto, in disobedience to the express commands of the Constitution, and in violation of the whole scheme and policy of that instrument, in respect to the State finances."

WHAT THE TAXES HAVE BEEN.

It will, perhaps, be easier to understand, what Governor Tilden has accomplished in a brief administration, after reading this table, showing the growth of the State taxes in the last sixteen years.

Year.	Aggregate Equalized Valuation.	Rate of State Tax, in Mills, on each Dollar of Valuation.	State Tax Levied, including School Tax.
1860	$1,419,297,520	3 5-6	**$5,440,640.48**
1861	1,441,767,430	3 7-8	5,586,848.79
1862	1,449,303,948	3 3-4	6,884,193.75
1863	1,454,454,817	5	7,272,274.08
1864	1,500,999,877	5 1-4	7,880,249.35
1865	1,550,879,685	4 53-80	7,230,976.53
1866	1,531,229,636	5 9-16	8,517,464.85
1867	1,664,107,725	7 3-5	12,647,218.71
1868	1,766,089,140	5 4-5	10,243,317.01
1869	1,860,120,770	5 5-8	10,463,179.33
1870	1,967,001,185	7 41-156	14,285,976.55
1871	2,052,537,898	5 79-120	11,613,943.61
1872	2,088,627,445	9 3-8	19,580,882.30
1873	2,129,626,386	6 95-100	14.800,903.38
1874	2,169,307,873	7 1-4	**15,727,482.08**
1875	2,367,780,102	6	14,206,680.61
1876	2,390,803,696	3 11-24	**8,268,196.00**

This table shows that the taxes have been reduced in amount to the lowest figure reached in the past eleven years, and nearly to the figure which obtained before the war, and that the rate of taxation is lower than it was before the war, or has been at any time since.

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THE FOLLOWING TABLE SHOWS:

1.—*The amount of State tax levied on each county in* 1874, *the last year of Governor Dix's administration.*

2.—*The amount of State tax to be levied on each county this year* (1876), *the second year of Governor Tilden's administration, according to assessment of* 1875.

The valuation of 1875 is used, as the valuation of 1876 has not yet been adjusted by the State assessors.

COUNTIES.	State Tax 1874.	State Tax 1876, on Valuation of 1875.	Saving to Each County.
Albany	$360,102 45	$188,950 31	$171,152 14
Alleghany	63,261 90	32,892 55	30,369 35
Broome	68,101 67	36,545 94	31,555 73
Cattaraugus	67,226 07	35,274 37	31,952 70
Cayuga	138,163 77	71,837 22	66,326 55
Chatauqua	123,264 05	64,090 22	59,173 83
Chemung	69,426 51	36,428 97	32,997 54
Chenango	87,490 61	45,907 43	41,583 18
Clinton	46,269 97	24,057 72	22,212 25
Columbia	158,547 76	82,435 73	76,112 03
Cortland	46,655 11	24,257 98	22,397 13
Delaware	64,551 93	33,563 30	30,988 63
Dutchess	234,404 28	124,113 02	110,291 26
Erie	407,545 65	213,844 36	193,701 29
Essex	43,687 32	22,714 80	20,972 52
Franklin	38,756 34	20,151 07	18,605 27
Fulton	26,868 12	14,098 04	12,770 08
Genesee	98,636 54	51,285 33	47,351 21
Greene	44,771 27	23,416 82	21,354 45
Hamilton	4,058 59	2,110 23	1,948 36
Herkimer	78,466 14	41,172 18	37,293 96
Jefferson	115,462 42	60,584 59	54,877 83
Kings	1,435,944 79	753,458 39	682,486 40
Lewis	30,760 90	15,993 90	14,767 00
Livingston	101,354 64	52,698 59	48,656 05
Madison	74,705 22	40,089 66	34,615 56
Monroe	277,529 77	145,623 38	131,906 39
Montgomery	70,924 05	37,214 75	33,709 30
New York	8,012,386 00	4,169,130 05	3,843,255 95
Niagara	105,960 09	55,598 60	50,361 49
Oneida	212,239 53	116,426 80	95,812 73
Onondaga	242,350 70	127,164 48	115,186 22
Ontario	128,781 30	66,958 88	61,822 42
Orange	203,888 71	110,446 90	93,441 81
Orleans	74,184 91	38,925 76	35,259 15
Oswego	110,553 45	58,008 79	52,544 66
Otsego	89,352 50	47,949 94	41,402 56
Putnam	39,316 31	20,629 76	18,686 55
Queens	208,289 58	111,776 09	96,513 49
Rensselaer	207,718 00	108,992 26	98,725 74
Richmond	58,976 92	31,649 25	27,327 67
Rockland	68,303 71	36,654 36	31,649 35

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REDUCTION OF STATE TAXES—*Continued.*

COUNTIES.	State Tax 1874.	State Tax 1876, on Valuation of 1875.	Saving to Each County.
Saratoga	$92,993 95	$49,904 08	$43,089 87
Schenectady	42,851 78	22,484 87	20,366 91
Schoharie	39,181 80	20,559 18	18,622 62
Schuyler	29,484 37	15,822 43	13,661 94
Seneca	70,417 54	36,613 07	33,804 47
St Lawrence	105,746 81	55,486 69	50,260 12
Steuben	99,232 95	51,626 56	47,606 39
Suffolk	84,089 85	43,721 89	40,367 96
Sullivan	20,873 41	11,201 46	9,671 95
Tioga	44,606 32	24,469 38	20,136 94
Tompkins	61,406 95	32,221 00	29,185 95
Ulster	100,095 56	53,715 08	46,380 48
Warren	21,143 90	11,094 47	10,049 43
Washington	99,393 68	52,153 12	47,250 56
Wayne	110,111 12	57,776 70	52,334 42
Westchester	450,495 03	194,244 52	256,250 51
Wyoming	60,362 95	31,366 42	28,996 53
Yates	55,754 56	28,989 16	26,765 40
	$15,727,482 08	$8,188,572 85	

LOOK ON THAT PICTURE, THEN ON THIS.

The Republican heads of departments asked Congress to appropriate, for the current year's expenses of the Federal Government, ***$203,099,025.*** *This amount was reduced by the Democratic House of Representatives, which impeached Belknap, to* $138,752,340. *The amount was increased by the Republican Senate, that refused to punish Belknap, to* $158,260,598. *This sum was again* REDUCED *by the Democratic House to* ***$147,719,074.***

This is ***$29,994,253*** *less than the appropriation of last year.*

It is ***$55,379,951*** *less than the amount asked for by the Administration.*

It is ***$10,000,000*** *more than it would have been but for the obstinacy of a factious Republican Senate.*

Why should the Republican estimates this year exceed those of last year $25,435,698? *Was it to provide an election fund with which to perpetuate the dynasty of Grant, Babcock & Co., under the new firm of Hayes & Wheeler?*

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R. B. HAYES'S RECORD.

A COMPLETE HISTORY OF HIS CONGRESSIONAL CAREER.

MR. HAYES ALWAYS A SUBSERVIENT FOLLOWER OF PARTY LEADERS.

RUTHERFORD B. HAYES was elected a Representative from Ohio, in 1864, to the Thirty-ninth Congress, and served on the Committee on Private Land Claims, and as Chairman of the Committee on the Library. He was re-elected to the Fortieth Congress, which met on the 4th of March, 1867, pursuant to an act of Congress of January 22d, 1867, and adjourned on the 20th day of March, 1867, until the first Wednesday (the third) of July, 1867. Congress met July 3d, 1867, and continued in session until the 20th day of that month when it adjourned until the 21st day of November, 1867. Mr. Hayes resigned during the recess, and SAMUEL F. CARY was elected, and served the unexpired term.

During Mr. HAYES's service in Congress, THAD. STEVENS was the leader of the House of Representatives, and wielded the party whip with all the arrogance and intolerance of his domineering nature. He not only shaped the policy of his party on political questions, but he exercised a predominant influence in moulding all the important legislation enacted by Congress while he was a member of the House.

Mr. HAYES is now the candidate of the Republican party for the Presidency, and it is claimed by some distinguished men who formerly acted with the Republican party, but who cut loose from it in 1872, because it had become a mere "machine," controlled by selfish party leaders, that he, if elected, will be independent, and not subserviently accept the dictum of the CAMERONS, MORTONS, CONKLINGS, CHANDLERS, BLAINES, SHEPHERDS and SPENCERS, who have run the present administration, but that he will prove a genuine reformer, and fearlessly lay the axe to the root of the many evils which afflict the public service. This claim is made by some so-called reform Republicans, who acted with the Democratic party in 1872, in face of the fact that Mr. HAYES' nomination at Cincinnati was made by delegates who were owned and controlled by CAMERON, MORTON and CONKLING, three of the most uncrupulous politicians of the Republican party.

THE MEN WHO NOMINATED MR. HAYES.

It was SIMON CAMERON who was made Chairman of the Senate Committee on Foreign Relations when the Republican party leaders in that body determined to

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depose and degrade CHARLES SUMNER, who had for many years been at the head of that important Committee, simply because he would not surrender his principles, and as THAD. STEVENS upon a memorable occasion exclaimed, "throw conscience to the devil!" and blindly follow the lead of the administration in the SAN DOMINGO job! It was MORTON, the chosen defender of the administration, and champion of the SAN DOMINGO job in the Senate, who led in this crusade against Charles Sumner.

When the question of the annexation of San Domingo was under discussion in the Senate, Morton, in reply to a speech made by SUMNER, said: "If the Senator means to impute to me the fact that I am a friend of the President, personally and politically, he is quite right. I have been his friend and admirer ever since the battle of Fort Donalson; and although I sometimes disagree with him, perhaps in regard to appointments, or perhaps in regards to measures, I always try to differ with him in such a way as not to assault his personal character or *to demoralize the party of which he is the head.* A series of assaults have been made on the President, from time to time, ever since his inauguration; scarce has one subsided before another is begun * * but, sir, one by one these assaults have failed, utterly failed; they have been exposed and have become contemptible to the people of this country; the arrows of calumny have fallen harmless at his feet; and although it has been frequently announced that the President has fallen, he always manages to fall upon his feet; and so he will, I predict, throughout his administration, or his connection with public life. * * * The assaults are of a personal character, and do not touch the merits, the wonderful success of the administration."

THEY CONSIDER GRANT'S ADMINISTRATION GRAND BEYOND PRECEDENT.

"The general results of this administration are grand—grand almost beyond a precedent. * * Mr. PRESIDENT, the people do not look to these personal considerations; they do not care whether Mr. COX is Secretary of the Interior, or Mr. DELANO; whether Mr. MOTLEY is Ambassador to the Court of St. James, or Gen. SCHENCK. * * I must say that the assault of the Senator from Massachusetts upon the President this afternoon was most unprovoked and indefensible; it was not a difference from the President on mere political principles, but he charged the President with usurpation—with crimes. He compared his administration to that of BUCHANAN and to that of PIERCE, and denounced it as he formerly denounced the administration of those predecessors; and, sir, he drew a comparison, and I was pained to hear it, between SAGET, the murdering usurper of the government of Hayti and President GRANT, much to the disparagement of the President of the United States. SAGET, who murdered SALNAVE in cold blood—SAGET who had led the 'dance of blood' of which the Senator speaks—has been held up to the admiration of the American people, in favorable comparison with President GRANT!"

CONKLING, during the same debate, speaking of the proposition to depose Mr. SUMNER and place another Senator at the head of the Committee on Foreign Relations, said: "We are engaged in grave business, and without meaning personal offense to any man, and without anybody being responsible for it but myself, I say that not only in justice to *that great party now charged with the administration of the country,* but in justice to the majority of this body and the modes by which the public interests are to be conserved, the Committee on Foreign Relations should not be composed of those who have added insult to injury; who array themselves not only in opposition to the administration, but are arrayed thus in manner and in substance so as to make it impossible for the administration to confer, as it has a right to do, with all the committees of this body."

CONKLING, MORTON AND CAMERON NOMINATED HAYES, BUT BLAINE COMES IN.

Without the votes controlled by CONKLING, MORTON and CAMERON, or by either one of them, Mr. HAYES could not have been made the nominee of the Republican party at Cincinnati. Will he set himself up in opposition to these men if he is elected President of the United States, and presume to have a policy which is not in accord with their views? His first act after receiving the news of his nomination was to answer a congratulatory dispatch received from the jobber, BLAINE, who would have been the nominee of the Republican party had it not been for the personal jealousy of CONKLING and MORTON. Immediately upon the recept of the news of HAYES' nomination, Mr. BLAINE, anxious to be on good terms with his successful rival, and to have a voice in the control of his administration if he should be fortunate enough to be elected, sent the following dispatch:

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WASHINGTON, June 16, 1876.

To Gov. R. B. Hayes, Columbus, Ohio:

I offer you my sincerest congratulations on your nomination. It will be alike my highest pleasure, as my first political duty, to do the utmost in my power to promote your election. The earliest moments of my returned and confirmed health will be devoted to securing you as large a vote in Maine as she would have given for myself.

J. G. BLAINE.

Quick as the lightning could speed it, Mr. Hayes sent the following answer:

COLUMBUS, Ohio, June 16.

To Hon. J. G. Blaine, Washington:

Your kind dispatch has touched me most deeply, and I hardly know how to respond in fitting terms. The assurance of your sympathy and support nerves me for the contest in which we are about to enter. With your returning health and strength, I see an omen of Republican success. I trust that all trace of your recent illness will speedily disappear, that you may speedily be restored to your family and country. I send you my first dispatch since the nomination.

R. B. HAYES.

If Mr. HAYES was so overwhelmed by this mark of attention on the part of the jobber BLAINE, that he hardly knew "how to respond in fitting terms," what must be his feelings toward CAMERON, CONKLING and MORTON, who defeated BLAINE and secured his nomination!

MR. HAYES VOTED FOR EVERY SUBSIDY JOB.

There is still another test by which it can be determined whether MR. HAYES is or is not a man of sufficient independence of character to set himself up in opposition to the acknowledged leaders of his party and fashion the policy of his administration according to the views of Mr. SCHURZ or Mr. BRISTOW. He was a member of Congress during the period in which the Republican majority of that body was led by THAD STEVENS in the House, and by MORTON, CAMERON, and CONKLING in the Senate, and he was always a subservient follower of these men. He never once dared to oppose a single measure which they championed; his name is always found recorded along with theirs in the aye votes, by which the legislation they originated was enacted. The flood-tide of jobbery and corruption which followed upon the close of the civil war, was then at its height. The Republican party had a "policy" in regard to subsidy and other jobbing legislation, as well as in purely political matters. The "subsidy policy" was to put through every job, no matter how enormous in its character, or how great its demands upon the public domains, or the National Treasury.

There was a whole army of contractors, who, not satisfied with the millions upon millions which they had wrung from the public treasury in the hour of our country's direst needs, were beseeching Congress, during Mr. HAYES' service in the House, for additional allowances. Among others were the iron-clad contractors. These men had obtained contracts from the Navy Department during the war, to build iron-clad vessels. They alleged that the price of materials had advanced after the contracts had been awarded to them. This was admitted by the Government and a Board composed of the most experienced officers in the Navy was appointed to supervise the building of the iron-clads, and to pass upon the claims of the contractors for extra work required in consequence of the changes made in the specifications by the naval constructors, and on account of the increased cost of material. All these claims were passed upon at the time, the board of naval officers being familiar with all the details and disposed to deal liberally and fairly with the contractors. Mr. WELLES, Secretary of the Navy, testified in 1872, before a committee of the House of Representatives, not one of these contractors ever complained that extra work done by them had not been fairly paid for; and further that the application of these men to Congress for further allowances was backed by one of the "strongest lobbies he, Mr. WELLES" had ever seen about Washington."

MR. HAYES VOTES FOR THE IRON-CLAD CONTRACTORS' JOB.

The application of the iron-clad contractors for "relief" was made at the first session, 39th Congress. Their claims amounted to a very large sum, and, to provide for their payment, Congress enacted an "omnibus" law, entitled "An Act for the relief of certain contractors for the construction of vessels of war, and steam machinery." This act was approved March 2d, 1867. [See Stats. at Large, 65, 67; vol. 14, page 424]. On a motion to postpone the consideration of this bill in the House of Representatives, Mr. HAYES voted in the negative. [See *House Journal*, 2d Session 39th Congress, pages 405-6.]

Mr. GLASSBRENNER, of Pennsylvania, (Dem.) moved to lay the bill on the table. On this motion Mr. HAYES voted in the negative and the motion did not

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prevail. The question was then put, "Shall the bill pass." when Mr. HAYES voted in the affirmative. [See *House Jour.*, 2nd. Sess. 39th Cong., pages 472-3.]

The amounts obtained by these contractors under this legislation, are as follows:

Secor & Co. and Perine, Secor & Co.	$115,539 01
Harris Loring	38,513 00
Atlantic Iron Works of Boston	4,852 58
Aquilla Adams	4,852 58
M. F. Merritt	4,852 58
Tomlinson, Hartapee & Co.	15,171 00
Harlan & Hollingsworth	38,513 00
Pool & Hunt	3,694 81
Total	$225,988 56

There had been paid to the same contractors previously, to reimburse them for alleged delays and for alterations which the Government caused them to make in the vessels, over $1,400,000. This sum was in addition to the original contract price.

Secor & Co., and Perine, Secor & Co. had contracted to build three vessels for the sum of $1,300,000. They had been paid in addition to this sum the sum of of $521,195.58 and Congress paid them the further sum, as above given, of $115,539.01.

HOW THE COMANCHE JOB WAS PUT THROUGH WITH MR. HAYES' ASSISTANCE.

At the first session of the 40th Congress, one of the most notorious jobs that was ever manipulated by the lobby, was put through, by which $179,000 was taken from the National Treasury. It was for the iron-clad *Comanche.* It came up in the House of Representatives on March 28, 1876, when JOHN A. LOGAN asked and obtained leave to introduce a joint resolution which authorized and directed the Secretary of the Navy to return to the contractors Donohue, Ryan and Secor the iron-clad *Comanche*, delivered at the Navy Yard at Mare Island, California, on return of the amount paid the contractors by the Government for the construction of said ship, together with the cost of guns, ammunition, and stores on board at the time of delivery, and that Donohue, Ryan and Secor should have authority to dispose of the same. After Mr. LOGAN made his statement, Mr. SCHENCK, of Ohio, asked leave to offer an amendment which Mr. Logan granted. Mr. WARD, of New York, stated that this claim had been included in the "omnibus" bill above referred to, and objected to the consideration of the resolution, which could only be by unanimous consent, or by a suspension of the rules. The rules were suspended, and Mr. SCHENCK offered his amendment. The Speaker decided that it was not in order unless the amendment contained the substance of the original resolution, whereupon Mr. SCHENCK said: "I ask what is the exact sum that is named in it (the resolution), if it is not $179,000.80 ?"

"THE SPEAKER; It is.

"Mr. SCHENCK: I understand the contractors do not care about the 80 cents, and therefore I will offer as an amendment the same resolution changing the sum named to $179,000.

"THE SPEAKER: That is in order.

"Mr. WARD: I believe it is not in order without a suspension of the rules. This is a distinct proposition.

"THE SPEAKER: The rules having been suspended to allow the joint resolution, it is now in order that the iron-clad *Comanche* resolution be considered in the House; therefore an amendment which is germane is in order.

"Mr. SPAULDING: Is it not an amendment making an appropriation?

"THE SPEAKER: It is.

"Mr. SPAULDING. Then I object.

"The SPEAKER: The objection comes too late; the rules have been suspended.

"Mr. SPAULDING: The House, by a two-thirds vote, allowed this resolution to be considered, and on an amendment making an appropriation, I believe we have a right to have another vote taken to suspend the rules requiring a bill or resolution making an appropriation to be considered in the Committee of the Whole.

"The SPEAKER: The rules have been suspended to introduce this resolution, and it has been explained at some length; his amendment is germane, and is in order; the suspension of the rules covers that point."

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TAKING MONEY OUT OF THE NATIONAL TREASURY UNDER FALSE PRETENSES.

"Mr. SPAULDING: It enables them to get money from the Government under false pretenses.

"The SPEAKER: It does not, because a majority of the House is required to pass the amendment; the only reason why bills containing appropriations are required first to be considered in Committee of the Whole is that members shall not be surprised by the introduction of bills for the relief of claimants by appropriating money directly; hence the rule requiring that they shall be referred to the Committee of the Whole."

The amendment of Mr. SCHENCK was to strike out all after the resolving clause, and to insert the following:

"That there shall be and hereby is appropriated for the purpose of paying Donohue, Ryan & Secor for loss sustained by them in the construction of the monitor Comanche, the sum of $179,000, and the Secretary of the Navy is hereby directed to pay the same out of any moneys in the Treasury not otherwise appropriated."

The question was taken on the adoption of this amendment, on which the ayes and nays were ordered, and the result was, ayes, 63; nays, 41. Among those voting in the affirmative was RUTHERFORD B. HAYES. [See *Congressional Globe*, 1st Ses. 40th Cong.; pages 421-25]

The Speaker who made the outrageous decision above quoted was SCHUYLER COLFAX, who was proved to have been concerned in the Credit Mobilier steal, by the positive testimony of OAKES AMES, who produced the original checks with which he paid him the price of his infamy. The two men whose lead Mr. HAYES followed in putting through the Camanche job—JOHN A. LOGAN and ROBERT C. SCHENCK—are too well known, having figured too recently in scandalous jobbing to require further notice here.

THE SUBSIDY POLICY OF THE REPUBLICAN PARTY.

The policy of the Republican party in regard to "subsidy legislation" first assumed a definite character by the incorporation in 1862 of the Union Pacific Railroad, and the subsequent Act of July, 1864, by which the odd number of sections of public land within twenty miles of the line on both sides were given to the Central Union Pacific and Kansas Pacific Railroad Co's.; and, in addition, each company permitted to issue bonds equal to the amount per mile loaned by the Government, the lien of the latter being subordinate to that of the former. The amount of landed subsidy accruing under these grants to the above-named railroad companies was, according to the report of the Commissioner of the General Land Office for the year 1869 [see page 70], about 35,000,000 of acres, or an area almost equal to the whole of New England, and the total amount of Government bonds issued to them and their branches, under the legislation of 1864, was $64,623,572, and for this vast sum of money it must be remembered that the Government has only a second mortgage security

During Mr. HAYES' service in Congress this policy of squandering the public domain upon railroad corporations was the ruling one, and no less than seventeen acts making grants of public lands to such corporations passed while he was a member of the House of Representatives. On only seven of these acts were the Democratic minority who opposed them able to obtain an aye and nay vote. But every time a recorded vote is found in the proceedings of the House, Mr. HAYES is always found voting for these jobs. He never, during the whole term of his service in the 39th Congress, and the first and second sessions of the 40th Congress, opposed either by his voice or vote one of these land grant acts.

GRIDIRONING MINNESOTA WITH RAILROAD LAND GRANTS.

At the first session of the 39th Congress, the following was passed: "An act to amend an act making a grant of lands to the State of Minnesota and aid in the construction of the railroad from St. Paul to Lake Superior, approved May 5th, 1864." Approved July 13th, 1866. [See Stats. at Large, 1865-6, vol. 14, page 93.]

This act provides that in case it shall appear, when the line of the Lake Superior and Mississippi Railroad is definitely located, that the quantity of land intended to be granted by the said act in aid of the construction of the said road, shall be deficient by reason of the line running near the boundary line of Minnesota, the said company shall be entitled to take from the public lands of the

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United States, within thirty miles of the west line of said road, such an amount of land as shall make up such deficiency, provided that the same shall be taken in alternate sections as provided for in such act.

Mr. DONELLY, of Minn., from the Committee on Public Lands, reported back the bill on the 28th day of June, 1866. At the same time he reported back a bill of the Senate making an additional grant of land to the State of Minnesota, in alternate sections, to aid in the construction of railroads in the State. Also a House bill granting land to the State of Minnesota for the establishment of an asylum for the relief of disabled sailors and soldiers of that State and of the United States. These bills were reported together in order that, under cover of the last, providing for the relief of soldiers and sailors, the two jobs embodied in the two first-named acts might be smuggled through. The bills were severally passed without a division.

When Mr. DONELLY reported the bill to amend the act making a grant of land to the State of Minnesota to aid in the construction of the railroad from St. Paul to Lake Superior, Mr. MORRILL said, "I would like to make an inquiry or two of the gentleman in relation to this matter. I would like to know how many more of these bills there are behind. We seem to be passing these measures without knowledge, so far as I can understand, as to what they are. We have already passed a bill giving 640 acres of the most valuable land in the United States (meaning that donated to the Soldiers' and Sailors' Asylum). I do not know that the gentleman has seen a map of the State of Minnesota, such as I saw a day or two since. If I had it here, so as to show the House the lines drawn across it indicating the grants that had been given the railroads, I think it would rather surprise the House. And it is the same with other Western States. These Western States are covered all over with railroad grants as with a gridiron; the whole country completely braided. I think that no bill in relation to these railroads ought hereafter to be passed without a close inspection by the House.

Mr. LEWIS W. ROSS said: "I will say that if we have not given Minnesota more than a fourth of our public lands in that State, it might be as well for the gentleman (Mr. Donelly) to introduce a bill to give the State the balance." [See *Congressional Globe*, vol. 59, page 3464.]

Mr. MORRILL moved to lay the bill on the table, and on that motion demanded the ayes and nays.

Mr. HAYES voted in the negative to lay the motion on the table. The bill was then passed. [See *House Jour.*, 1st session 39th Congress, pages 923–4.]

MR. HAYES HELPS ALONG THE CREDIT MOBILIER JOB.

At the same session there was passed an act "To amend an act entitled an act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure the Government the issue of the same for postal, military and other purposes, approved July 1st, 1862, approved July 2d, 1864." This last named act amending the two former was approved July 3d, 1866. [See Statutes at Large, pages 65–7; vol. 14, pages 79 and 80.]

The act authorizes the "Union Pacific Railroad Company, eastern division (Kansas Pacific), to designate the general route of their road and to file a map thereof, as required by law, at any time before the 1st day of December, 1866; and upon the filing of the said map, showing the general route of said road, the lands along the entire line thereof, so far as the same may be designated, shall be reserved from sale by order of the Secretary of the Interior:

"*Provided*, That said company shall be entitled to only the same amount of the bonds of the United States to aid in the construction of their line of railroad and telegraph as they would have been entitled to if they had connected their said line with the Union Pacific Railroad on the one hundredth degree of longitude, as now required by law:

"*Provided further*, That said company shall connect their line of railroad and telegraph with the Union Pacific Railroad, but not at a point more than fifty miles westwardly from the meridian of Denver in Colorado.

"That the Union Pacific Railroad Company, with the consent and approval of the Secretary of the Interior, are hereby authorized to locate, construct and continue their road from Omaha in Nebraska Territory, westward, according to the best and most practicable route, and without reference to the initial point on the one hundredth meridian of west longitude, as now provided by law, in a continuous, completed line, until they shall meet and connect with the Central Pacific

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Railroad Company of California, and the Central Pacific Railroad Company of California with the consent of the Secretary of the Interior, are hereby authorized to locate, conduct and continue their road eastward, in a continuous completed line, until they shall meet and connect with the Union Pacific Railroad:

"*Provided*, That each of the above named companies shall have the right, when the nature of the work to be done, by reason of deep cuts and tunnels, shall for the expeditious construction of the Pacific Railroad require it, to work for an extent of not to exceed three hundred miles in advance of their continuous completed line."

The bill passed the House of Representatives on the 26th day of June, 1866. The question being on its passage, Mr. HAYES voted in the affirmative. [See *House Journal*, 1st Session, 39th Congress, page 911.]

ALSO HELPS ALONG THE KANSAS PACIFIC STEAL.

The Pacific Railroad, eastern division, known as the Kansas branch, was required by the Statute to locate its route within a given period of time, which period had elapsed. The object of the first section of this bill was to extend that time until the 1st of December, 1866, otherwise there was a forfeiture of its property, franchises, &c., to the United States.

Originally the branch roads of the Union Pacific Railroad were to go to the initial point on the one hundredth meridian. The route of the Kansas branch, west of the meridian of Fort Riley, was to be determined by the President of the United States, on actual survey. Two years were allowed them to file their maps in the office of the Secretary of the Interior, for the purpose of having their route designated. The President never determined the route. The Act of 1864 gave either of the branches a right to unite with the Union Pacific Railroad, and go westward as far as they pleased without reference to the initial point, provided they should have no more than $16,000 per mile up to the one hundredth degree. It also extended the time for filing the map. After the Kansas route had been extended to Fort Riley, and had one hundred and sixteen or one hundred and twenty miles in running order, they came to the conclusion that the best route was upon the Smoky Hill branch. They filed maps for the purpose of taking up the Smoky Hill route, but the Attorney-General decided that the maps were filed too late. The company, therefore, asked that the act might be passed giving them until December 1st, 1866, to file their maps and designate their route the same as if it had been done within the time required by previous acts.

This bill came up in the House June 26th, 1866, THAD. STEVENS of Pennsylvania having charge of it. In calling it up he said, "This is a very short bill; and I gave notice yesterday that I would call it up to-day and ask a vote upon it; it in fact does not propose an enactment of a new law; it is simply designed to correct a mistake in an act already passed."

Mr. WILSON, of Iowa, wanted to have the bill referred to the Committee on Pacific Railroads, with leave to report at any time, and he proposed an amendment which provided that no mineral lands should be included in the grant already made to these companies, but his principal object was to amend the clause in the bill which repealed that portion of the act of 1864 allowing the Union Pacific Railroad to build up to within one hundred and fifty miles of the California State line.

STEVENS CRACKS THE PARTY WHIP AND HAYES FOLLOWS.

"Mr. STEVENS objected and said it would kill the bill.

"Mr. DAWES of Massachusetts wanted Mr. Stevens to consent to set a day for the discussion of this bill.

"Mr STEVENS: I do not see how setting it down for discussion on a particular day would do any good.

"Mr. DAWES: I understood the gentleman to say that it would be the death of the bill; upon what ground could it injure the bill to have it fairly discussed so that it could be understood on all sides?

"Mr. STEVENS. I suppose that every man who desires to understand it, knows what it is now. I am sure that my intelligent friend from Massachusetts understands it.

"Mr. DAWES: I will say frankly that I am not in favor of the bill, while I feel if it was set down for a fair discussion on some day, perhaps some of us could so explain it to the House that the House would understand its merits, but the gentleman says that would kill it.

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"Mr. STEVENS: No, it would not kill it if the House understood it, but my friend is so good at mystifying that he might possibly so encloud it that some gentlemen would vote against it without knowing what it was."

STEVENS with his usual success cracked the party whip, and those opposed to the bill were not able to have it even referred to the Committee on Pacific Railroads. While Mr. STEVENS was explaining the provisions of the bill, Mr. HIGBY, a Representative from California, asked and obtained permission to have read at the clerk's desk, the following extract from the remarks of Senator CONNESS, which had been made in the Senate five years previous:

"Mr. PRESIDENT, I ask the attention of every Senator in the Senate to a statement I am now about to make, and I challenge a contradiction of it. How did that provision of the law obtain—how did it come to be the law? I will tell you, Senators. In 1864, the Senate passed a Pacific Railroad bill; I had a copy of it before me this morning. The House of Representatives passed another; the Senate refused to pass the House bill, and the House refused to pass the Senate bill; the matter was referred to a committee of conference upon the questions of disagreement. In neither of these bills did this abitrary condition that I have named confining one of these great companies to one hundred and fifty miles east of the California line, occur. It was not in either bill; there was not a word or a title of it in either. I was a member of the Conference Committee that met in the room on Public Lands in the Senate. The Hon. Senator who is now Secretary of the Interior, (Mr. HARLAN,) was chairman of that conference. I sat there pending that entire conference; point by point, the differences between the two Houses were arranged and agreed upon, and I undertake to say here that that arbitrary condition now of the law and in the law when it was printed, never was considered in that conference. It was stolen in through the corruption of some parties or the clerk who eventually made up the report."

A FIGHT BETWEEN TWO MONSTER CORPORATIONS.

This was a fight between the monster corporations, the Union Pacific and Central Pacific Railroad Companies. By the paragraph which was stolen into the bill of 1864, as stated by Senator Conness in the above extract, the Union Pacific Railroad was allowed to build westward until it reached a point within 150 miles of the eastern boundary of California. The men who controlled this corporation were, by means of the Credit Mobilier swindle, stealing the entire proceeds of the government bond subsidy, and of course the longer their road the more they could steal. The Central Pacific Railroad had a Credit Mobilier arrangement also—the Contract and Finance Company—by which they were stealing the government bonded subsidy also, and hence they did not want to be confined and obliged to stop at 150 miles beyond the eastern boundary of California. On the passage of this bill Mr. HAYES voted in the affirmative. [See *Congressional Globe*, Vol. 59, pages 3420–4.]

The Union Pacific Eastern Division, or Kansas Pacific Railroad was originally chartered as the Leavenworth and Pawnee and Western Railroad Company. Gen. John C. Fremont was the leading spirit in the enterprise, at least his name was used, and his influence with prominent Republican politicians was expected to carry through Congress any job the promoters of the scheme might originate. Associated with Fremont was Mr. Hallet, who was a capitalist. An arrangement was finally made through Joe Stewart, the intimate friend of Speaker BLAINE and a famous Washington lobbyist, by which the conflicting interest between the Union Pacific Railroad and the Leavenworth, Pawnee and Western Railroad Company were adjusted, and the latter company, after being known for the time as the Kansas Pacific, finally became the Union Pacific Eastern Division. In settling the liabilities of the old company, which were assumed by the new organization, a paper was furnished the managers of the Union Pacific Eastern Division in which all the cash liabilities, as well as the contracts to convey lands granted to this company, were set down. This document is interesting in this connection because it shows the manner in which such legislation was granted at the 1st session of the 39th Congress through the support of RUTHERFORD B. HAYES and other Republicans who followed blindly party leaders like THAD STEVENS.

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THE PRICE OF SUBSIDY LEGISLATION.

Cash Liabilities, other than Company's Delaware Lands and debts due Stone, Isaacs, and McDowell, April 13th, 1863

T. F. Cowan, Penn., 5 notes of $1,000	$5,000 00
R. G. Corwin, Dayton, Ohio	10,000 00
R. W. Thompson	5,000 00
Balance due certain Pottawattamie Chiefs	1,883 00
Whitely, of New York *Herald*	200 00
W. W. Backus, of Leavenworth	116 00
Gen'l James Cooper, Frederick, Maryland	1,000 00
Mark Delehay, Surveyor-General, Kansas	593 32
C. B. Gunn, Engineer, Leavenworth, Kansas	242 20
Sylvester Medbury, Columbus, Ohio	250 00
Clark, Gruber & Co., supposed overdrawn bank account	1,715 48
	$26,000 00

With the exception of the item in the above statement entitled "Balance due certain Pottawattamie Chiefs," and three other small items, the whole of this amount was for services rendered, or supposed to be rendered, at Washington to secure legislation from Congress.

The manner in which lands obtained by this Company were also given away as lobby fees for services in Washington, will be seen by the following extracts from the document above referred to:

"*Delaware Lands conveyed and contracted to be conveyed by the Leavenworth, Pawnee and Western Railroad Company to sundry persons, to wit:*—A general statement from the Secretary of the Company, now in our possession, shows the number of acres conveyed by quit-claim deed, without a cost consideration, but the names of the partiers were not given; the books of the Company will show them."

The number of acres conveyed	$11,441 50
R. McBratney (Gen'l Pomeroy's friend), a contract for $2,500; he has selected and received a quit-claim deed for all but	640 00
S. A. Simpson (Kansas) has a contract for	320 00
Thomas G. Gladding and others, Leavenworth City	2,560 00
W. P. Dole, Commissioner of Indian Affairs	1,280 00
R. W. Latham, Washington City, Attorney's fees, and editor of Leavenworth *Conservative*, and brother of our M. C.	960 00
	$17,231 50

In addition to the above the following list of stock promised to be issued to secure a ratification of the Delaware and Pottawatamie Indian treaties, and the passage of the Pacific Railroad bill, was furnished to the new company, and the stock as set down thereon was afterwards issued.

LIST OF STOCK

Issued and to be issued, subject to assessment, and not subject to assessment; and the names of the parties of the Leavenworth, Pawnee and Western Railroad Company:

We have compared the within with the original Confidential Statement of Stock, issued and to be issued, and find it a true copy.

(Signed) CLARK BELL,
J. H. McDOWELL.

28th May, 1863.

The Leavenworth, Pawnee and Western Railway Stock Contracts, made for the Company, to secure the ratification of the Delaware and Pottawatamie Treaties, and the passage of the Pacific Railway Bill:

NAMES.	REMARKS.	NO. OF SHARES SUBJECT TO ASSESSMENT.	NO. OF SHARES NOT SUBJECT.
R. McBratney, Kansas.....	Supposed to be for S. C. Pomeroy	2,600 issued $130,000	.....
W. W. Gaylord.....	"	2,000 issued $100,000	Think you understand this g'tl'n.
E. W. Chase, Chaseville, N. Y.	But little service rendered, mostly blackmail.	....	1,000 iss'd. $50,000
Henry Bennett, Elmira, N. Y.	Supposed to be for H. Bennett, J. P. Usher, Caleb Smith and R. W. Thompson. Usher and Bennett right; let Smith and Thompson slide.	20,000 iss. $1,000,000	.....

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NAMES.	REMARKS.	NO. OF SHARES SUBJECT TO ASSESSMENT.	NO. OF SHARES NOT SUBJECT.
G. W. Weston, Washington	(Services rendered)		200 n't iss'd $10,000
Henry Bennett, Elmira,	(Right)	2,300 iss'd..$115,000	
" "			900 iss'd...$45,000
Magall	Know nothing about it	400 iss'd.....$20,000	
"	" " "		200 iss'd...$10,000
J. M. Shackelford, Kentucky	(Right)	300 iss'd $15,000	
Wm. Holloway	(Right)	100 iss'd $5,000	
E. W. Chase, Chaseville	(See note above)		800 iss'd...$40,000
S. Reynolds	Right	200 issued and transferred.....$10,000	
"			200 iss'd...$10,000
	Supposed to be for C. Mitchell, of Indiana	200 iss'd.... $10,000	
Hon. T. L. Price, Mo.	(Right)	500 iss'd....$25,000	
J. F. Cowan	Supposed to be for T. Stevens	3,900 iss'd..$195,000	
Marston, N. H.	Know nothing about him		400 iss'd...$20,000
Lathrop	" "		700 iss'd...$35,000
King	" "		300 iss'd...$15,000
Brown	" "		1,000 n't iss $50,000
R. W. Latham	Right		100 n't iss'd $5,000
Bridges	Know nothing about him		100 iss'd....$5,000
Blaine, of Maine	Right		200 n't iss. $10,000
Mrs. Wallis, of N. Y. Herald	Right		400 iss'd...$20,000
Thornington	(Do not know)		100 n't iss'd. $5,000
J. M. Winchell	Right		100 iss'd....$5,000
Dewey, N. Y.	Black-mail	800 iss'd.....$40,000	
Walker	Do not know	100 iss'd.....$5,000	
Jones	Supposed Forney's friend (do not know)		100 n't iss'd $5,000
C. A. Trowbridge, Detroit	(Right)	2,400 iss'd..$120,000	
T. Judah	California Friend (right)	1,000 iss'd...$50,000	
"	" " "		200 iss'd...$10,000
Briggs	Do not know	40 iss'd.....$2,000	
Wilson, N. Y. Times	Right	200 iss'd....$10,000	
B. P. Poore	Do not know	100 iss'd.....$5,000	
M. J. Parrott	(Right)		500 iss'd...$25,000
Simpson, Kansas	Black-mail		260 iss'd...$13,000
R. S. Stevens, Kansas			330 iss'd...$16,500
Gen. J. Cooper	(Right)		80 iss'd.....$4,000
S. W. Johnson, Kansas	"	4,000 n't iss. $200,000	
B. F. Camp, N.Y. City & oth's	"	3,000 iss'd..$150,000	
	(Cut Camp to the red.)		
"	Supposed to be for Carlisle, of Va	$20,000	
J. G. Usher		10,000 n't iss $500,000	
C. Babcock, Kansas	Supposed to be for Wilkinson	1,000 n't iss..$50,000	
"	Act in reference to the future		400 n't iss. $20,000
J. F. Cowan, Penn	Supposed to be for T. Stevens and others.		2,000 iss'd $100,000
F. P. Stanton, Kansas	No obligation for the past; look to the future.	100 iss'd.....$5,000	
			100 iss'd....$5,000
Cheever, Washington	Supposed to be for Simmons, R. I. The s rvices contemplated were not rendered in full.		500 n't iss..$25,000
R. W. Latham	Supposed to be for Simmons, R. I. See note on Cheever.		300 n't iss..$15,000
H. F. Bennett, Colorado	(Right)	100 iss'd.....$5,000	
Whiteley, N. Y. Herald	"		100 iss'd....$5,000
Martin, California	Do not know	200 iss'd.....$10,000	
" "	" "		200 iss'd...$10,000
Franchot, N. Y.	Right	1,200 iss'd....$60,000	
" "	"		800 iss'd... 40,000
J. N. Cutts	No service	100 iss'd.....$5,000	
Hon. S. S. Rollins, Mo.	(Right)	500 i'ss.....$25,000	
Ross, Fletcher, Holliday and Stinson, Kansas	Hold it over them in terror	2,400 iss'd..$120,000	
Fielding Johnson, Kansas	(Right)	100 n't iss'd..$5,000	
C. Adams	Gen'l Lee's son-in-law, (right)		200 iss'd...$10,000
W. W. Bochus, Leavenworth	(Right)	50 n't iss'd...$2,500	
Gen. J. H. Lane	Right	9,400 n't iss. $470,000	
J. Moran, Mo.	(No service)	400 n't iss'd..$20,00	
Josiah Miller, Kansas	Right	100 iss'd.....$5,000	
Chester Howard	Gen'l Lane's friend. Right	100 iss'd.....$5,000	

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No. of Shares subject to Assessment. 70, 140 Shares $3,507,000.	No. of Shares not subject to Assessment. 13,020 Shares, $651,000.
Original Stock Subscribed to Organize the Company :	
2,350	117,500 (cut them off.)
72,490	$3,624,500
Add Stock not subject to Assessment, 13,020	651,000
82,510	$4,275,500

Pottawatamie Lands contracted to be conveyed to sundry persons by the Leavenworth, Pawnee & Western Railroad Company, as follows, to wit:

R. McBratney, Register of the Land Office, Junction City, Kansas, Pomeroy's friend	2,500
Lathrop	500
Blaine, of Maine	1,000
R. W. Latham, Washington City	160
F. P. Stanton, Kansas	640
W. P. Dole, Commissioner of Indian Affairs	1,280
Pottawatamie Men	1,920
W. W. Ross, Pottawattamie Agent	320
For Catholic Mission, on Pattawatamie reservation	960
C. E. Mix, Indian Officer, Washington	640
Ash White	320
	10,240 acres

Government Lands conveyed and contracted to be conveyed by the Leavenworth Pawnee & Western Railroad Company, to sundry persons, to wit:

R. McBratney, Register of the Land Office, Junction City	20,000
G. W. Chase, New York	5,000
J. F. Cowan	2,500
Marsten, New Hampshire	2,000
Lathrop	3,000
Brown, supposed to be Forney's friend	5,000
Bridges	500
Blaine, of Maine	2,000
Thorington	2,500
Jones, Forney's friend	1,280
C. A. Trowbridge, Detroit	2,000
J. F. Cowan, for persons unknown	5,000
F. P. Stanton, Kansas	2,640
Cheever, of Washington City, supposed to be for Simons, of R. I.	10,000
R. W. Latham, supposed to be for Simons, of R. I.	1,000
W. P. Dole, Commissioner of Indian Affairs	3,840
	68,260 acres.

ANOTHER LARGE JOB SUPPORTED BY MR. HAYES.

An act was also passed at the same session of Congress entitled "An act granting lands to the State of Kansas, to aid in the construction of a Southern Branch of the Union Pacific Railway and telegraph, from Fort Riley, Kansas, to Fort Smith, Arkansas," which was approved July 26, 1866 [see Statutes at Large 1866–67, Vol. 14, pp. 289–90–91]. It grants to the State of Kansas, for the use and benefit of the Union Pacific Railroad Company, southern branch, to aid in the construction of said railroad from Fort Riley, Kansas, to Fort Smith, Arkansas, every alternate section of land or parts thereof, designated by odd numbers, to the extent of five alternate sections per mile on each side of said road, and not exceeding in all ten sections per mile.

While the bill was pending in the House the question was taken, shall the bill be read a third time? and it was decided in the negative. Mr. RADFORD moved to reconsider, then moved to lay the motion to reconsider on the table. The House refused to lay the motion to reconsider on the table. On the motion to lay the motion to reconsider on the table, Mr. HAYES voted in the negative. The vote by which the bill was rejected was then re-considered, Mr. HAYES voting in the affirmative. The bill was then passed. [See *House Journal*, 1st Session 39th Congress, pp. 1094–5–6.)

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There was a grant of land made to a railroad March 3, 1863, from Fort Leavenworth by Lawrence to the southern boundary line of Kansas, in the direction of Galveston bay. In connection with that grant there was a grant from Fort Riley running in a southeastern direction to intersect that road near the southern boundary of Kansas. This act repeats that grant and brings the two into one line; and also extends it from the road running from Lawrence in a southern direction towards Galveston bay. The act extends the Fort Riley road across that road to Fort Smith, in Arkansas, so as to make a continuous railway from the Mississippi river, by Little Rock, to Fort Riley, thence in a southwestern direction to Fort Smith, connecting with the Pacific Road.

Pending its consideration in the House, Mr. LAWRENCE, of Ohio, said: "This bill grants ten sections on each side of the road for each mile of road. It covers an extent of forty miles wide, the grant being by alternate sections. It is not ten sections per mile, but ten on each side of the road, equal to twenty sections per mile. If that be the design of the House, let the House understand it. If it be not, let that also be understood. Let the bill be made to conform to and carry out the purpose of the House."

"As the bill is now drawn, it is not ten sections per mile, but ten sections per mile on each side of the road; and being in alternate sections it will extend over a country forty miles wide. It strikes me that is twice as much as was ever granted before. It admonishes us of the evil of having these bills passed hastily without proper examination. I do not want to object if this is in the usual form of such bills. I know there are grave objections to disposing of our public lands in this way. It destroys our homestead system. It withdraws public lands from settlement and places them in the hands of corporations. But I do not expect the House to change its policy of granting lands for railroad purposes.' * * [*Cong. Globe*, Vol. 60, p. 4061.]

The bill was subsequently amended by striking out "ten" and inserting "five" to meet the suggestion of Mr. LAWRENCE.

THE ATLANTIC AND PACIFIC RAILROAD JOB.

The following act was also passed at the same session of Congress, to wit: "An act granting lands to aid in the construction of a railroad and telegraph line from the States of Missouri and Arkansas to the Pacific coast," and it was approved July 27th, 1866 [See Statutes at Large, 1865–67, vol. 14, pp. 292 to 299.]

The act incorporates the Atlantic and Pacific Railroad Company, and grants to them every alternate section of public lands, not mineral, designated by odd numbers, on each side of said railroad line through the Territories of the United States, and ten alternate sections of land per mile on each side of said railroad whenever it passes through any State.

The bill passed the House of Representatives July 26, 1866, Mr. HAYES voting in the affirmative on its passage.

The route of said road is fixed by the act as follows: Beginning at or near the town of Springfield, in the State of Missouri, thence to the Western boundary line of said State, and thence by the most eligible railroad route as shall be determined by said Company, to a point on the Canadian river, thence to the town of Albuquerque, on the river Del Norte, and thence, by the way of Aqua Frio, or other suitable pass, to the headquarters of the Colorado Chiquito, and thence, along the thirty-fifth parallel of latitude, as near as may be found most suitable for a railway route, to the Colorado river, at such point as may be selected by said company for crossing; thence by the most practicable and eligible route to the Pacific. The said company shall have the right to construct a branch from the point at which the road strikes the Cadadian river, eastwardly, along the most suitable route as selected, to a point in the western boundary line of Arkansas, at or near to town of Van Buren.

FIFTY MILLION ACRES OF THE PUBLIC DOMAIN GIVEN AWAY.

The capital stock of said company was fixed at one million shares of one hundred dollars each. During the consideration of the bill in the House, Mr. WILSON, of Iowa, said: "I wish my colleague (Mr. PRICE) would state to the House how much land per mile and how much in the aggregate this bill grants."

Mr. PRICE said: "I will answer my colleague (Mr. WILSON) by reading from the bill. (Here he read the clause of the bill fixing the amount.) And, as I said before, that is about as much as is granted to the Northern Pacific Railroad Company."

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Mr. WILSON, of Iowa: "I ask the gentleman to state in round numbers the number of acres of land that is given."

Mr. PRICE: "I have as high respect for my colleague as I have for any gentleman upon this floor; and I will say now, for I may not have the opportunity again, that if I was delivering his eulogy I would say that he is a good lawyer and an honest man, and it is with great respect that I ever differ with him."

Mr. WILSON, of Iowa: "Of course, I am very glad to hear all that; but the gentleman does not answer my question."

Mr. PRICE: "Before you can tell how much there is in anything you must know how wide it is and how long it is. Now, I only know how wide this road is, but I do not know how long it is." [See *Cong. Globe*, Vol. 60, p. 4182–83.]

Congress passed at the second session of the 39th Congress, "An act granting lands to the State of Oregon to aid in the construction of a Military Wagon Road from Dallas City, on the Columbian River, to Fort Boisé, on the Snake River." It was approved February 25, 1867. [See Statutes at Large, 1865–67, § 14, p. 409.]

The road is about two hundred and seventy-five miles in length. The act grants alternate sections of lands designated by odd numbers to the extent of three sections in width on each side of said road. It passed the House of Representatives on the 19th day of December, 1866, and on its passage Mr. HAYES voted in the affirmative. (*House Journal*, 2d Session 39th Congress, p. 99.)

OTHERS ALARMED BY MR. HAYES'S SCHEME.

Pending its consideration in the House Mr. LE BLOND said: "It certainly has become alarming to see the quantity of land donated by the Congress of the United States for these private purposes. As I understand it, this bill is based upon the alleged necessity of a military road in the State of Oregon. If I understand the history of these land grants, the real object of all such bills as this is to confer public lands upon private corporations organized within the several States. I think Congress should consider whether they are willing to donate the public domain in this wholesale manner, without any beneficial result being obtained for the Government of the United States. I think it is time that we put a stop to this wholesale system of disposing of the public domain." (*Cong. Globe*, vol. 61, p. 201.)

An act granting lands to aid in the construction of a railroad from the city of Stockton to the town of Copperopolis, in the State of California, was passed at the second session of the 39th Congress, and was approved March 2, 1867. [See Statutes at Large, 1865–67, Vol. 14, pp. 548–49–50.]

SMITH'S GIFT ENTERPRISE.

It grants alternate sections of public land, designated by odd numbers to the extent of five alternate sections, on each side of said railroad. The road commences at the city of Stockton, in the State of California, which is at the head of navigation on the St. Joachim river, and is to run easterly to the town of Copperopolis, a distance of about 38 miles. It was estimated that the company would get from 125,000 to 150,000 acres of land. It passed the House of Representatives March 2, 1867, and upon its passage MR. HAYES voted in the affirmative. [See *House Journal*, 2d Session 39th Congress, pp. 592–3.]

Pending its consideration in the House, Mr. WRIGHT said: "I think this is a gift enterprise, and the less we have to do with it the better." (*Cong. Globe*, vol. 63, p. 1769.)

It will be observed that Mr. Price, who managed the bill incorporating the Atlantic and Pacific Railroad, stated, in answer to the inquiry of Mr. Wilson, of Iowa, that the land grant conveyed by this act to the corporation was equal to that given to the Northern Pacific Railroad Company. Now, the Northern Pacific Railroad Company grant, according to the report of the Commissioner of the General Land Office for 1869, amounts to about fifty millions of acres. The extent of the public domain granted to railroad corporations by these various acts supported by Mr. HAYES, is equal to an area greater in extent than that covered by the States of New York, Pennsylvania, Ohio, Indiana, Illinois and Iowa. The legislation by which this vast extent of public land was given away did not all originate in the Thirty-ninth Congress, but the legislation of the Thirty-ninth Congress revived old grants and extended in others the time for the completion of the roads, so that practically the domain was alienated

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by the various acts above referred to, just as much as if new grants had been made by them. For without this legislation, which received the support of Mr. HAYES, the grants would have lapsed, and thus the public lands would have been left for the benefit of settlers.

WHAT IS TO COME IN THE FUTURE.

Three of the monster corporations which have already, through the friendship of the men who control the Republican party, been gorged with enormous land grants, are still seeking still other favors at the expense of the tax-payers. The Atlantic and Pacific in conjunction with the Texas Pacific has for two years past sought legislation which will require more than one hundred millions of dollars eventually to be taken from the National Treasury. They ask the United States to guarantee their bonds to the extent of $40,000 per mile for the whole length of their roads. Both of these corporations have Credit Mobilier companies connected with them, which are to build the roads and absorb for the benefit of a favored few at the expense of the many, the whole of the government subsidy, provided they are fortunate enough to secure it. The Northern Pacific is also demanding legislation extending their grant, and holds in reserve a proposition similar to that of the Atlantic and Pacific and the Texas Pacific Companies; moreover the Atlantic and Pacific, the Missouri, Kansas and Texas, and the Leavenworth, Lawrence and Galveston Railroad Companies have a scheme which they have been persistently urging for years, to establish for the Indian Territory a territorial government, and at the same time, in violation of treaties with the Indians occupying this territory, enable the above named corporations to obtain millions of acres of land guaranteed to the various Indian tribes forever.

Rutherford B. Hayes is committed by his votes while a member of Congress to the "subsidy policy" of the Republican party, and in his letter of acceptance he utters not a single word which indicates that he has changed his mind on this all important question. The Cincinnati Convention it is true declared in the ninth resolution of the platform that "we reaffirm our opposition to further grants of the public lands to corporations and monopolies, and demand that the national domain be devoted to free homes for the people."

But the "opposition" of the Republican party to "further grants of the public lands to corporations and monopolies" has already resulted in the alienation of 296,000,000 acres of the public domain, an area greater than that of the New England States, New York, New Jersey, Pennsylvania, Delaware, Maryland, Ohio and Indiana. And moreover it will be seen that this plank of the Cincinnati platform does not cover the proposition of the Atlantic and Pacific and Texas Pacific Railroad Companies which is to have the Federal Government grant them a bonded subsidy in exchange for their land grants, almost forfeited.

A LIST OF ACTS MR. HAYES VOTED FOR, NOT ENUMERATED ABOVE.

There were, as above stated, a large number of acts passed by the Thirty-ninth Congress, without a division, in accordance with the well-known policy of the majority, granting lands to corporations and amending and revising previous acts of the same character. Mr. HAYES always voted with the majority on these questions, and in no instance is he recorded in the negative upon a vote granting the public lands to private corporations.

The following is a list of these acts, viz.:

"An Act to extend the time for the r version to the United States of the lands granted by Congress in aid of a railroad from Amboy, by Hillsdale and Lansing, to some point on or near Traverse Bay, in the State of Michigan, and for the completion of said road. Approved July 3, 1866."

"An Act granting certain lands to the State of Michigan, to aid in the construction of a Ship Canal to connect the waters of Lake Superior with the lake known as Lac La Belle, in said State. Approved July 3, 1866."

"An Act granting lands to the State of Michigan, to aid in the construction of a Harbor and Ship Canal at Portage Lake, Keewenaw Point, Lake Superior, in said State. Approved July 3, 1866."

"An Act making a grant of lands, in alternate sections, to aid in the construction and extension of the Iron Mountain Railroad, from Pilot Knob, in the State of Missouri, to Helena, in Arkansas. Approved July 4, 1866."

"An Act concerning certain lands granted to the State of Nevada. Approved July 4, 1866."

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"An act granting lands to the State of Oregon, to aid in the construction of a military road from Corvallis to Acquinna bay. Approved July 4, 1866."

"An act making an additional grant of lands to the State of Minnesota, in alternate sections, to aid in the construction of railroads in said State. Approved July 4, 1866."

"An act granting lands to the State of Oregon, to aid in the construction of a military road from Albany, Oregon, to the eastern boundary of said State. Approved July 5, 1866."

"An act granting aid in the construction of a railroad and telegraph line from the town of Folsom to the town of Placerville, in the State of California. Approved July 13, 1866."

"An act relating to lands granted to the State of Minnesota to aid in constructing railroads. Approved July 13, 1866."

"An act for a grant of lands to the State of Kansas to aid in the construction of the Northern Kansas railroad and telegraph. Approved July 13, 1866."

"An act granting lands to the State of Kansas, to aid in the construction of the Kansas and Neosho Valley Railroad, and its extension to Red River. Approved July 25, 1866."

"An act granting lands to aid in the construction of a railroad and telegraph line from the Central Pacific Railroad in California, to Portland, in Oregon. Approved July 25, 1866."

"An act to revive and extend the provisions of an act granting the right of way and making a grant of land to the States of Arkansas and Missouri, to aid in the construction of a railroad from a point upon the Mississippi opposite the mouth of the Ohio river, via Little Rock, to the Texas boundary, near Fulton in Arkansas, with branches to Fort Smith and the Mississippi river." Approved February 9, 1853, and for other purposes. Approved July 28, 1866."

"An act to amend an act entitled, "An act granting lands to the State of Oregon, to aid in the construction of a military road from Eugene City to the eastern boundary of said State. Approved December 26, 1866."

"An act to amend an act entitled, "An act to extend the time for the reversion to the United States of the lands granted by Congress to aid in the construction of a railroad from Amboy, by Hillsdale and Lansing, to some point on or near Traverse bay, in the State of Michigan, and for the completion of said road," approved July 3, 1866. Approved March 2, 1867.

THE BOULIGNY CLAIM.

During the time that RUTHERFORD B. HAYES was in Congress, he made but one speech, and that under the following circumstances: On March 2, 1867, two dyas before the 39th Congress expired, an act for the relief of the heirs of John A. Bouligny was passed. It confirmed to Mary Elizabeth Bouligny, Corinne Bouligny, and Felice Bouligny, the widow and children of John A. Bouligny, one-sixth part of the land claim of Jean Antoine Bernard D'Autrive, in the State of Louisiana, amounting to 75,840 acres.

It was alleged that the lands embraced in this claim had been appropriated by the United States to other purposes, and therefore land certificates in eighty-acre lots were directed to be issued to the widow and minor children of John E. Bouligny, locatable at any land office in the United States, upon any public lands subject to private entry, at a price not exceeding $125 per acre.

On March 11, 1867, one week after the beginning of the 1st Session, 40th Congress, Cadwallader C. Washburn, of Wisconsin, offered a joint resolution in the House of Representatives, directing the Secretary of the Interior to suspend the execution of the Act above referred to. This joint resolution set forth that the claim of John E. Bouligny to the land in Louisiana was adjudged null and void by the Supreme Court of the United States, in 1853; that Mr. Justice Nelson, who delivered the opinion of the Court, declared there was no recorded evidence of any such land grant as was set up; that none had been produced, though a thorough examination of the archives of that date, both at New Orleans and Paris, had been made, and no records could be found; that it had its origin in 1777, and was a part of the celebrated Mississippi scheme, with which John Law, known for his connection with the South Sea bubble, was a party; that because it was believed that the Act of March 2, 1867, was passed under a miapprehension of the facts, therefore the Secretary of the Interior should be directed to suspend the execution of that law until a further order of Congress.

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ACCORDING TO MR. WASHBURN IT WAS A GROSS FRAUD.

Mr. WASHBURN made an explanation in regard to the joint resolution, in which he said: "I served on the Committee on Private Land Claims four years, and this is an old acquaintance of mine; I will say to the House a more fraudulent claim was never presented to the Congress of the United States; if gentlemen will only read a decision of the Supreme Court referred to, they will see that it is a fraudulent claim. The bill passed not merely sanctions these claims to the amount of 75,000 acres of land but a claim to the amount of 450,000 acres and other claims will be legalized which will require millions on millions of acres to satisfy them." The joint resolution offered by Mr. WASHBURN was passed by a vote of 107 yeas, to 27 nays, Mr. HAYES voting in the affirmative. During the discussion of this joint resolution, Mr. HAYES, in explaining his course as a member of the Committee on Private Land Claims, in regard to this case said:

HAYES'S ONLY SPEECH.

"The committee was called together to consider this matter during, I think, the last week of the last session; the majority of the committee had examined the matter and were ready to vote in favor of the measure. Two members of the committee, the gentleman from Illinois (Mr. BAKER) and myself, had no opportunity to examine it; the papers were very voluminous; the case was one requiring a good deal of investigation, and my recollection is very distinct that the gentleman from Illinois as well as myself declined at that time to take any part in deciding the case. We had no opportunity to make such examination as was required in order to form an intelligent judgment, but a majority of the committee having examined the case, the Chairman, as I understood, was authorized to report, as the opinion of the majority, that the measure ought to pass. The papers, it is said by the gentleman from Illinois (Mr. WASHBURN), can't be found. I recollect that upon that occasion I was not able to get the papers for examination because another member of the committee desired them for the same purpose. I will state further that after coming out of the committee I went to the Law Library and found the case referred to by the gentleman from Wisconsin [15th Howard, containing the decision of Judge Nelson]. I read it hastily, and the impression was made upon my mind corresponding precisely with the statement embraced in the resolution presented by the gentleman from Wisconsin. I went to the Chairman of the Committee and said that such was the impression made upon my mind; but the majority of the committee had decided the matter, and I could do nothing. I did not know till I saw the statement in the papers, that the measure had been called up and passed. If my attention had been directed to the bill at the time of its passage, I should have stated the impression I had received from reading the case in 15th Howard. I will say further that my present impression is, that if the claim is a perfectly good one, as perhaps it may be, if it will bear examination, it seems to me right that we should, if possible, procure a postponement of action by the Department, and that the resolution of the gentleman from Wisconsin, or something similar to it, should be adopted."

MR. HAYES'S CHARACTER AS DRAWN BY HIMSELF.

We refer to this speech of Mr. HAYES, and to the action on the claim of Bouligny's heirs, not for the purpose of questioning the meritoriousness or legality of the claim, but simply to show the character of Mr. HAYES. He was a member of the Committee on Private Land Claims, and it was his duty to examine into this, and every other case referred to that committee. He was not bound to accept the judgment of the majority of the committee on the question of the legality of claims before it; on the contrary, it was his bounden duty to examine and satisfy himself; but it will be observed that he took no adequate steps to inform himself in regard to the merits or the demerits of the Bouligny case, and he states in justification of his negligence that he could "do nothing" because the majority of the committee had decided the matter. It was by this rule that Mr. Hayes's conduct while he was a member of Congress appears to have been guided, for he blindly followed the leaders of his party and supported every measure of the majority. He says, it will be observed, that he was not satisfied about the legality of the claim, but he, as he admits, thought so little about it, that the bill passed the House without even attracting his attention. If it is true, as Mr. WASHBURN says, that this bill legalized claims that would require millions upon millions of acres of public lands to satisfy, Mr. HAYES was recreant to the trust

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reposed in him as a representative of the people, in not exerting himself to the utmost to ascertain the real merits of the proposed legislation; at all events he was guilty of a gross piece of negligence to suffer a bill to be reported from his committee, and passed by the House, about which he had great doubts.

JUST THE SORT OF A MAN THE POLITICIANS WANT.

It is evident, however, that one of the defects of Mr. HAYES's character is lack of decision in forming his judgments, and of firmness in adhering to them after his opinions were formed. This is undoubtedly the quality which commends him to the BLAINS, CAMERONS, CONKLINGS, MORTONS, SPENCERS, CHANDLERS and SHEPHERDS, and other men of like character who control the Republican party, because they want a man who will, if chosen to be the chief Executive of the nation, be simply a puppet in their hands.

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THE RECORD OF WM. A. WHEELER.

PART FIRST.

HIS EFFORTS TO PREVENT AN INVESTIGATION OF THE WAR DEPARTMENT UNDER SIMON CAMERON IN 1861.

CORRUPTION IN THE WAR DEPARTMENT IN 1861.

In obedience to a proclamation issued by President Lincoln, an extra session of the 37th Congress convened at the capital on the 4th of July, 1861. The war of the rebellion had but fairly commenced. The first active measure to subdue the rebels was the call for 75,000 volunteers, which was issued April 15th, and supplemented by another on the 3d of May for 42,000 volunteers, and an increase of the regular army by an addition of 22,714 men, and the navy by 18,000 seamen. In this hour of almost universal gloom and sadness, when serious apprehensions for the future agitated the minds of all thoughtful men, and the most hopeful looked forward to a long and weary struggle, in which the best energies and all the resources of the North would be taxed to the utmost, there were painful rumors abroad affecting the integrity and the management of the War and Navy Departments. The character of the gentleman who had been called by President Lincoln to the administration of the Navy Department was above suspicion, but the same could not be said of the SECRETARY OF WAR.

SIMON CAMERON had obtained this high office by a political bargain for which Mr. Lincoln was not responsible, and which he would most willingly have repudiated had he not been restrained by considerations of policy constantly urged upon him by men high in the confidence of the party, to whose advice he thought some deference was due, even if it did shock his moral nature and cause him much mental disquietude. The story of the "bargain and sale," by which Simon Cameron became a member of Mr. Lincoln's cabinet, is told as follows by one of his ablest and most impartial biographers:

THE BARGAIN AND SALE.

"Simon Cameron of Pennsylvania, was nominally a candidate, but in the language of Col. McClure, 'it meant nothing'; it was a mere sham, got up to enable Cameron to make a bargain with some real candidate, and thus secure for himself and his friends the lion's share of the spoils in the event of a victory at the polls. The genuine sentiment of the Pennsylvania people was divided between Judge Bates and Judge McLean. But Cameron was in a fine position to trade, and his friends were anxious for business. On the evening of the 2d day of the Chicago Convention

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these gentlemen were gratified. A deputation of them, Casey, Sanderson, Reeder, and perhaps others, were invited to the Lincoln headquarters at the Tremont House, where they were met by Messrs. Davis, Swett, Logan and Dole, on the part of Mr. Lincoln. An agreement was there made that, if the Cameron men would go for Lincoln, and he should be nominated and elected, Cameron should have a seat in his cabinet, provided the Pennsylvania delegation could be got to recommend him. The bargain was fulfilled, but not without difficulty."

Mr. Lincoln's biographer, in describing his mental and moral disquietude over this bargain when he was elected, and found himself squarely face to face with the question of its fulfillment, says:

MR. LINCOLN NOT RESPONSIBLE.

"He had authorized no man to make such bargains, and would gladly have repudiated the contracts if it could have been done with honor or safety."

* * * * * * * * * *

"At Chicago Cameron's agents had demanded that he should have the Treasury Department; but that was too much, and the friends of Mr. Lincoln tried, pushed and anxious as they were, declined to consider it. They would say that he should be appointed to *a* cabinet position, but no more; and to secure this he must get a majority of the Pennsylvania delegation to recommend him. Mr. Cameron was disposed to exact the penalty of his bond, hard as the compliance might be on the part of Mr. Lincoln. But Cameron had many and formidable enemies who alleged that he was a man notorious for his evil deeds, shameless in his rapacity and corruption, and even more shameless in his mean ambition to occupy exalted station for which he was utterly and hopelessly incompetent; that he had never dared to offer himself as a candidate before the people of Pennsylvania, but had more than once gotten high offices from the Legislature by the worst means ever used by a politician; and that it would be a disgrace, a shame and standing offense to the country, if Mr. Lincoln should consent to put him in his cabinet. On the other hand, Mr. Cameron had no lack of devoted friends to deny these charges, and to say that his was as "white a soul" as ever yearned for political preferment; they came out to Springfield in numbers—Edgar Cowan, J. K. Moorhead, Mr. Sanderson, Mr. Casey and many others—besides Gen. Cameron himself. On the ground, of course, were the powerful gentlemen who had made the original contract on the part of Mr. Lincoln, and who from first to last strenuously insisted upon its fulfillment. It required a hard struggle to overcome Mr. Lincoln's scruples; and the whole force was necessarily mustered in order to accomplish it. 'All that I am in the world,' said he, 'the Presidency and all else—I owe to that opinion of me which the people expressed when they called me honest old Abe. Now what will they think of their honest Abe when he appoints Simon Cameron to be his familiar adviser?'"

THE CONGRESSIONAL INVESTIGATION.

The honest, upright and patriotic Lincoln was compelled to yield to the pressure brought to bear by his political friends, and Simon Cameron was made Secretary of War. Four months after Cameron began "to run the machine" in the War office, the extra session of the 37th Congress commenced, and so wide-spread and startling were the stories of his reckless extravagance, stupid incompetence and shameless corruption in the administration of this important department of the Government, that one of the most imperative duties of the people's representatives was to institute a thorough and searching investigation into his conduct.

There were loud complaints also of fraud and corruption in the administration of the Navy Department, and therefore it was proposed to institute a general inquiry "to ascertain and report to the House of Representatives what contracts have been made by any of the Departments for provisions, supplies and transportation, for materials and service, or for any article furnished for the use of the government without advertising for proposals as required by the statute of 1861; the parties to whom given, the compensation and terms thereof, and the reasons therefor."

A resolution covering all these points of inquiry was offered in the House of Representatives, on the 8th of July, by Mr. Van Wyck of New York, and adopted. It raised a committee of five members, who were empowered "to send for persons and papers, administer oaths, examine witnesses and report at any time." Before, however, this committee was appointed, it was increased to seven members who were appointed July 10th, as follows:

"Mr. CHARLES H. VAN WYCK, of New York; Mr. ELIHU WASHBURNE, of Illinois; Mr. REUBEN E. FENTON, of New York; Mr. HENRY L DAWES, of Massachusetts [Republicans]; Mr. WILLIAM L. HOLMAN, of Indiana; Mr. WILLIAM G. STEELE, of New Jersey, and Mr. JAMES G. JACKSON, of Kentucky [Democrats]."

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THE COMMITTEE WANT THEIR POWERS INCREASED.

On the same day it was instructed, on motion of Mr. Vallandingham, to inquire also into the chartering of the steamer Cataline. On July 17th, the committee organized, and on motion Mr. Holman was requested to present the following resolutions to the House, and ask for their adoption, viz.:

"*Resolved*, That the provisions of the resolutions appointing the select committee to inquire into, and report in relation to certain contracts made by the department for provisions, supplies, &c., be so extended as to embrace an inquiry into the facts and circumstances of all the contracts and agreements already made, and all such contracts and agreements hereafter to be made, prior to the final report of the committee by or with any department of the Government in anywise connected with, or growing out of the operations of the Government in suppressing the rebellion against its constituted authority.

Resolved, That the said committee be authorized to sit during the recess of of Congress, at such times and places as may be deemed proper.

Resolved, That said committee be authorized to employ a stenographer as clerk, at the usual rate of compensation.

Resolved, That the Sergeant-at-Arms of the House be directed to attend in person or by assistant, the sittings of the committee, and serve all the subpœnaes put into his hands by the committee, pay the fees of all witnesses, and the necessary expenses of the committee.

Resolved, That the speaker of the House, during the recess of Congress, is hereby authorized and directed to issue subpœnaes to witnesses, upon the request of the committee, in the same manner as during the session of Congress."

THE EFFORT OF THE CORRUPT RINGS TO DEFEAT INVESTIGATION.

These resolutions vastly increased the scope of the investigation, and gave it generally discretionary authority as an inquisitorial body, with the right to visit every quarter of the country and inquire into contracts hereafter to be made, as well as those which had been entered into by the War, Navy and Treasury departments. Of course the ability of the committee to interfere with the arrangements of the banded public robbers who were ready to prey upon the Government in this, the hour of its supreme peril, by exposing and breaking up their unlawful combinations, depended very largely upon the adoption of these resolutions. Every rogue who was engaged in a conspiracy to plunder the public Treasury, and was getting rich with amazing rapidity, was interested in limiting the power of the committee and in restricting the exercise of its functions, to the period of time occupied by the regular sessions of Congress. The members of the House of Representatives who voted for these resolutions were voting for something more than an honest administration of the government, because the preservation of the nation itself depended very largely upon the overthrow of the corrupt combinations which were rendering the prosecution of the war so costly, that its successful prosecution was, even in the very outset, from this very cause, becoming problematic. The rebels who were fighting to destroy the Union were no greater traitors or more formidable enemies than the faithless public officers and corrupting contractors who, under the guise of pretended patriotism, were selling to the government at fabulous prices, worthless arms, rotten transports and damaged Army and Navy supplies of every description. On the question of the adoption by the House of these resolutions, Mr. Dawes, Republican member of the committee, said:

WHAT MR. DAWES SAID:

"I was appointed on that committee without any knowledge on my part. I have consented to serve on it in good faith, with no disposition to do injustice to the Administration. * * * * * * I have in my possession no evidence against outside parties who have embraced this occasion to fill their own pockets out of the public treasury. But, sir, no man can have failed to take notice of the fact that the country is full of rumors in this respect. * * * * * If the committee enter upon their duties at all, they must have their life extended beyond this session of Congress. The House has agreed to adjourn on Friday, and between this and Friday we can do nothing. * * * * * The committee, in short, supposes it has the confidence of the House. A majority of the committee is composed of men commonly ranked

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as friends of the Administration, and I know of no member of the committee upon whom may justly rest the charge of a disposition to pursue any man, whether he be of the Administration, or of those who have entered into contracts with the Administration, one single inch beyond that which the facts may justify."

WHAT MR. VAN WYCK SAID:

Mr. Van Wyck, the Chairman of the Committee, said: "The gentleman has stated that there are no specific charges of fraud and corruption. I state that there are specific charges of fraud and corruption on the part of public servants [cries of order]. I make the statement distinctly. * * * * * * * * * * * I venture the assertion that in a few short months of this warfare against the rebels, there has been, on the part of some men, a system of plunder upon the Government which will excel in audacity and wickedness any that has characterized previous administrations."

A motion was made by Mr: Kellogg, of Illinois, to lay the resolutions on the table, which was rejected, 49 yeas to 76 nays. The yea and nay vote on the motion to lay on the table was as follows·

Yeas.—Messrs. Appleton, Ashley, Baker, Beaman, Bingham, Blake, W. G. Brown, Campbell, Chamberlain, Clark, Roscoe Conkling, Conway, Curtis, Davis, Diven, Edwards, Ely, Franchet Goodwin, Granger, Gurly, Hale, Hickman, Horton, Hutchins, Kelley, F. W. Kellogg, Wm. Kellogg, Lansing, Leary, McPherson, Moorhead, J. H. Rice, Riddle, Robinson, Sedgewick, Sheffield, Sherman, Trowbridge, Upton, Van Horn, Wallace, C. W. Walton, Webster, Train, **William A. Wheeler,** A. S. White, Windom, and Worcester—49.

Nays.—Messrs. Aldrich, Alley, Allen, Ancona, G. Bailey, Joseph Bailey, Baxter, S. S. Blair, G. A. H. Browne, Buffinton, Cobb, F. A. Conkling, Cooper, Corning, Covode, Cox, Cravens, Crittenden, Cutter, Dawes, Delaplaine, Duell, Dunlap, Edgerton, Eliot, English, Fenton, Gooch, Griden, Haight, Harding, Harrison, Holman, Jackson, Johnson, Julien, Killinger, Law, Lozear, Lehman, Loomis, McKnight, Mallory, Menzies, J. S. Morrill, Morris, Noble, Norton, Nugen, Odell, Olin, G. H. Pendleton, Perry, Pike, Potter, Reid, A. H. Rice, Shanks, Shellabarger, Sloan, Smith, Spalding, J. B. Steele, W. G. Steele, Stevens, Vallandingham, Van Wyck, Vibbard, Wadsworth, Wall, E. P. Walton, Ward, C. A. White, Wickliffe, Wood, and Woodruff—76.

WHEELER COMES TO THE AID OF THE CORRUPTIONISTS.

Beaten by a square vote, the men who opposed the effort to unearth fraud and bring to punishment the public plunderers who were consuming the people's substance, sought to defeat the adoption of the resolutions reported by the Committee by points of order, and the person put forward for this work was WILLIAM A. WHEELER. He said: "By one of the standing rules of the House it is provided that the committee on so much of the public expenditures as relates to the War Department shall inquire whether the claims from time to time satisfied and discharged by the Department are supported by sufficient vouchers, establishing their justness both as to their character and amount. By another standing rule it is provided that no standing rule or order of the House shall be rescinded or changed without one day's notice being given of the motion therefor, nor shall any rule be suspended except by a vote of at least two-thirds of the members present. My point is that no one day's notice was given of the motion for the appointment of this select committee, nor was the committee created by a vote of two-thirds of the members present."

THE SPEAKER RULES AGAINST WHEELER.

Had this point of order been sustained it would have been fatal because more than one-third of the members present had voted with MR. WHEELER to lay the resolutions on the table

"THE SPEAKER. The Chair would say to the gentleman from New York, that the House can raise a select committee upon any subject they choose, even though it be in charge of a standing committee of the House."

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WHEELER PERSISTS IN HIS EFFORTS TO DEFEAT THE INVESTIGATION.

"Mr. WHEELER. Then I ask that the question of jurisdiction of these respective committees be settled by the House itself." (MR. WHEELER was Chairman of the Committee on Expenditures in the War Department.)

The resolution was adopted 81 yeas to 41 nays, those voting in the negative being—

"*Nays.*—Messrs. Ashley, Baker, Beaman, Bingham, Blake, Campbell, Chamberlain, Clark, Roscoe Conkling, Conway, Covode, Davis, Delaplaine, Diven, Edwards, Ely, Franchot, Goodwin, Granger, Hale, Hickman, Hutchins, Kelley, F. W. Kellogg, Wm. Kellogg, Lansing, McPherson, Moorhead, Olin, Riddle, Robinson, Sedgewick, Sherman, Stratton, Train, Trowbridge, Upton, Wallace, **Wm. A. Wheeler,** A. S. White, and Windom.

More than one-third, as it will be seen, of the members present voted "Nay," and thus there were enough to defeat the investigation, had MR. WHEELER'S point of order been sustained. The results of the labors of this investigating committee whose lease of life WILLIAM A. WHEELER did his best to terminate are briefly stated below from the various reports made to the House of Representatives.

A SPECIMEN FRAUD.

The first report was submitted December 17th, 1861, and the facts in regard to the chartering of the steamer "Cataline" are summarized as follows: This steamer belonged to Margaret Corlies, and on the 25th of April, 1861, a Captain Comstock, who had been instructed by Major-General John E. Wool, commanding the Eastern Department, to charter two light draught steamers to ply between Havre de Grace and Annapolis, made a contract with M. M. Freeman, a ship merchant of New York, for the use of the "Cataline," for not less than three months, at $10,000 per month, payable monthly, with the privilege on the part of the Government to purchase her during that period for $50,000; and, in the event of her loss by any accident of war, the Government to pay for her at that price. Before this contract had been made with Freeman, Comstock had ascertained from the owner of the "Cataline" that she could be purchased for $18,000, and actually made a conditional contract for her purchase at that rate. Then he informed John E. Devlin of the firm of Stetson & Devlin, proprietors of the Astor House, New York City, that there was a good chance to charter such a vessel as the "Cataline" to the Government. The next day Devlin purchased the vessel for $18,000, and M. M. Freeman & Co. furnished money to pay for her and to provide her with an outfit. The vessel was in the employ of the Government for two months and eight days, when she was destroyed by fire. Freeman & Co. received one-tenth of the profits and furnished all the money, while Stetson & Devlin received the other nine-tenths.

HOW THE GOVERNMENT WAS DEFRAUDED IN THE PURCHASE OF VESSELS.

In treating of the purchase of vessels for the Government, the committee, in their report, say: "The exigencies of the public service has required the expenditure of a large sum of money in the purchase and fitting out of vessels for the expeditions against the Southern coast, and for other new duties imposed by the rebellion. More than seventy vessels of different capacities and valued at a first cost of nearly three millions of dollars before fitting and furnishing them respectively for the peculiar service for which each was designed, were purchased by the Government in the single port of New York, in the short space of six or seven weeks."

Instead of detailing proper officers from the Navy, whose education theoretically and practically fitted them for the exercise of the peculiar duties devolving upon the agents of the Government, for making these purchases, politicians having no experience whatever fitting them for the position were appointed. Of this the committee say, that they regret to find that "these plain rules governing all successful business transactions were disregarded." They then proceeded to instance the following case.

STARBUCK'S COMMISSION.

Early in May 1861, the Government wanted two or three sailing vessels and a Wall street stock broker named Starbuck was sent to New Bedford to purchase two

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sailing ships. He purchased, in the name of Henry L. Thomas, the "Roman" and the "William Badger," for $6,500, and turned them over to the Government for $14,500, and in addition to the clear profit of $8,000 which he made on this transaction, he charged the Government five per cent. commission on $14,500, for his services as agent to make the purchase. Starbuck was compelled, after the facts were developed by the investigation, to refund $6,166. The vessels were found on examination to be totally unfit for the service for which they were procured, and the Government was subjected to a further expense of several thousand dollars and a delay of several weeks to make them suitable.

Again the committee say: "On the 8th of May last, the purchasing of vessels for the Navy Department, at the Port of New York, was taken from Commodore Breese, the Commandant of the Brooklyn Navy Yard, and shortly after transferred to Mr. George D. Morgan of New York, under an arrangement between him and the Secretary of the Navy, of a most singular and extraordinary character, and one, the committee feel called upon to pronounce most reprehensible in its nature, and demoralizing to the public service."

MR. MORGAN'S COMMISSIONS.

This Mr. Morgan was a relative of Governor E. D. Morgan, of New York, and a member of his firm. The committee say he had not "the slightest experience in the new and responsible duties which he was called upon to discharge either in the naval service, the building, or buying and selling of ships, or in any pursuit calling for a knowledge of their construction, capacity or value; never having spent an hour in either." One of the first purchases made by Mr. Morgan was the steamer "Stars and Stripes" from the New Haven Propeller Company. The President of this company was C. S. Bushnell, who subsequently became famous as one of the active spirits in the Credit Mobilier swindle. He negotiated the sale with Mr. Morgan, and got $55,000 for a vessel that cost $35,600, and which had under a charter to the Government earned in two months $15,000. Bushnell represented to the company owning the vessel, that he had to pay a great deal of money in Washington, to effect the sale. Mr. Benedict, one of the stockholders of the New Haven Propeller Company, testified in regard to this as follows:

CORRUPTION FUND TO BE DISBURSED IN WASHINGTON.

"Q. What assistance did he represent that he was obliged to get? A. He said to us that it was impossible to approach the heads of Department at Washington, without letters of introduction, and that it was necessary to get men of influence to approach them.

Q. Did he represent that he was obliged to pay persons in Washington for letters of introduction? A. He said he was obliged to pay persons in Washington for their influence.

Q. More than one person? A. He spoke of persons.

Q. Did he speak of having to pay for the influence of persons residing in Washington? A. No, sir; he spoke as if they were members of Congress, or ex-members, or something of that kind, whom he paid for their influence. I will not say positively whether he spoke of ex-members.

Q. And he stated that he was obliged to pay out this entire $8,000? A. Yes, sir; at least he stated that there was not a penny that came to himself."

NINETY-FIVE THOUSAND DOLLARS IN FOUR MONTHS.

In regard to the compensation which Morgan received for his services as agent of the Government, the committee say: "That arrangement is a system of commission usually 2½ per cent. of the purchase money paid for each vessel, and one under which Mr. Morgan received as compensation during the period of seven weeks previous to the 6th day of September, when this testimony was taken, the enormous sum of $51,584 as admitted by himself before the committee. When this testimony was taken, information of its extraordinary character and import was communicated to the Department, in the hope that an abuse so glaring, when pointed out, might be corrected. Yet, notwithstanding

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the Department became thus possessed of the information that its own agent was by this system of commissions amassing a private fortune, the Committee have been surprised to learn from a recent communication from the Navy Department furnishing them with the number and prices of vessels purchased by Mr. Morgan for the Government since said 6th day of September, that the cost of those thus purchased by him amounts in the aggregate to the sum of $1,736,992. If he has received the same rate of compensation since as before that date, there must be added to the sum of $51,584 paid him before that the further compensation of $43,424 for services rendered since, making in all the sum of $95,000 paid to a single individual for his service as agent for the Government since the 15th day of July—a period of four months."

In commenting upon this fact, the committee say: "No citizen can justify any such attempt to convert the public necessity into an occasion for making private fortunes."

It was not necessary in order to secure experience and practical knowledge, the requisites Mr. Morgan did not possess, to pay this compensation. On this point the committee is very emphatic. "The evidence was abundant," they say, "before the committee, that if it had been necessary to obtain the services of any gentleman outside of the Navy itself, those gentlemen combining from experience and education the knowledge most calculated to fit them for this duty, independent of outside aid, could have been secured without the slightest difficulty, for a salary not exceeding $5,000 for the year."

THE PURCHASE OF ARMS

for the large army suddenly brought into the field afforded a fine opportunity for the jobbers. General Fremont had his own agents in New York to purchase arms for the arming of the troops under his command in the West. He permitted them to purchase a lot of 25,000 Austrian condemned muskets, whose calibre was not that of the regulation musket, and therefore required special ammunition. The testimony taken by the committee was all to the effect that as to their value these muskets were worthless. They had been offered to Major Hagner, the ordnance officer at New York, for $5.50 apiece, and he would not have them at any price Yet Fremont's agent paid $6.50 for them. Such of them as were afterwards used, had to be altered at a cost of $4.50 apiece. The cost to the Government for these guns and special ammunition was $166,000.

THE HALL CARBINE SWINDLE.

The Government had a lot of worthless Hall carbines which it sold in June, 1861, to Arthur M. Eastman, of Manchester, N. H., at $3.50 each. He had them slightly altered at a cost of 75 cents to $1.25 apiece, and sold 5,000 of them to Simon Stevens of Pennsylvania for $12.50 each, who immediately sold the entire lot to General Fremont for $22 each. Of this transaction the Committee say:

"These arms seem to have been sold privately (by the Government), and without inviting any competition, and sold, too, for an almost nominal price. The sale was made by order of the Secretary of War, on the recommendation of the Ordnance Bureau. No Government that ever has existed can sustain itself with such improvidence in the management of its affairs. One agent of the Government sells these arms at $3.50 each, in the midst of a pressing demand for arms, and a few weeks afterwards, without any increase in this demand, the same arms, slightly altered, are resold to the Government through another agent for $22 each, the Government losing in so small a transaction, if permitted to be comsummated, over $90,000."

At the time of making the purchase, Stevens was an aide-de-camp of Fremont, and was acting as an agent of the Government. The sale was made direct to him by Fremont, but the arms were billed to the Government in the name of J. Pierrepont Morgan.

GREAT FRAUDS IN PURCHASE OF ARMY SUPPLIES.

In the purchase of army supplies, the Committee points out the fact that "the Act of Congress on the subject of advertising for supplies for the various Departments" had been, "either through corrupt motives, or from a want of reasonable prudence," altogether disregarded, and was "almost a dead letter even

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in that large class of cases where it could have been properly applied. Immense supplies both in the Navy as well as the War Department, the necessity for which, in the ordinary course of things, was easily foreseen, have been purchased privately under contracts, express or implied, without any competition being invited."

One firm in St. Louis, on a "requisition" of a Quartermaster, furnished over $800,000 of supplies, on which they admitted they made a profit of 40 per cent. The purchase of supplies in New York City was entrusted to two civilians, politicians, of course, who had no qualifications for the duty; and two millions of dollars of the Government money was placed in a private banking-house subject to the order of these two politicians, or either one of them. They were not restricted in any way, but left entirely to the exercise of their own judgment; and the Government had no security whatever for the faithful performance of their duties. The supplies they were purchasing proved altogether worthless, and in the settlement of their accounts with the War Department they were not required to file any vouchers.

FRAUDS IN THE PURCHASE OF BEEF CATTLE.

The frauds in the purchase of beef cattle are but incidentally touched upon.

"There is much evidence," the Committee say, "of gross mismanagement and culpable carelessness in making contracts, together with a reckless improvidence of the means of the Government. Evidence exists of large contracts for cattle having been made without any advertisement for bids, or any effort being made by the agents of the Government to satisfy themselves whether the prices to be paid were exorbitant or even extortionate. Cattle were furnished at prices per pound, live weight, very little, if any, below the retail prices for the meat in any of the markets of the country; and the contractors, without themselves furnishing a single hoof to the Government, made large sums of money by subletting the contracts to other parties, who assumed all the responsibility and all the risk, and still made in profits nearly as large sums as the original contractors. * * * We have here not only evidence of gross mismanagement and total disregard of the interests of the Government, and a total recklessness in the expenditure of the funds of the Government, but there is every reason to believe that there was collusion upon the part of the employees of the Government to assist in robbing the Treasury; for when a conscientious officer refused to pass cattle not in accordance with the contract, he was, in fact, superseded by one who had no conscientious scruples in the matter, and cattle that were rejected by his predecessor were at once accepted."

ALL MANNER OF MEN

seem to have been engaged in preying upon the Government in this hour of its greatest peril. In investigating the contracts for "the purchase of horses and wagons in New York," the Committee found that "there was evident consent and collusion" on the part of some of the officers of the Government, and that the "most shameless frauds and peculations" were practiced. A Rev. Sidney Corey, a clergyman residing in 37th street near 5th avenue, New York City, obtained a contract from Lieut.-Col. Kilpatrick, to purchase two hundred horses, Kilpatrick to inspect them himself. "The reverend gentleman informed Mr. John O. Taylor that the Lieut.-Colonel was a friend of his and gave him the contract as a special favor, and that he could obtain a contract for the purchase of one thousand horses if he desired it." Taylor gave the Rev. Mr. Corey a bonus of $200 for the contract, and agreed that he should have one-half the profits. Taylor purchased seventeen horses, and Kilpatrick came along to inspect them, having with him a fellow named Chase, who demanded of Taylor $2 a head for passing them, which was paid. However, Taylor got disgusted and threw up the contract, and the Rev. Mr. Corey resold his contract for a bonus of $500.

CONTRACT BROKERAGE.

As a sample of the contract brokerage which was practiced on a large scale at Washington, the Committee gave an account of the manner in which Mr. Wood, then Commissioner of Public Buildings and Grounds, was blackmailing contractors. By his own confession, he was interested in obtaining the contract for the printing of the Treasury notes and bonds for the American Bank Note Com-

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pany, and claimed that Dennison, Naval Officer at New York, F. P. James and W. H. Marston, were interested in the same way for the National Bank Note Company.

THE EXTRAVAGANCE, RECKLESSNESS AND FRAUD

which characterized all the transactions in the Department of the West under General Fremont, was treated at great length by the Committee. The fortifications at St. Louis they showed were not only useless, but in their construction a vast sum of money was plundered from the Treasury for a "favorite" contractor. After more than one-half the work had been done on these fortifications by days' labor, at a cost of only $60,000, General Fremont permitted a contract to be made with one E. L. Beard, for their completion, and a scale of prices was agreed upon by which he was to be paid. Under this contract he was paid in thirty-three days, $171,000 when the contract had been executed only eight days, and before scarcely any work had been done. The Secretary of War directed work to be suspended, but in defiance of this order, Fremont ordered $60,000 more to be paid the contractor, which sum was only saved to the Government by the refusal of the paymaster to turn over the money. In commenting upon this fraud, the Committee say:

"The money appropriated by Congress to subsist and clothe and transport our armies, was thus in utter contempt of law and of the regulations, as well as in defiance of superior authority, ordered to be diverted from its lawful purpose and ordered to be turned over to the cormorant Beard. While he had received $171,000 from the Government, it will be seen from the testimony of Major Kalppner that there had only been paid to the honest German laborers who did the work on the first five forts built under his direction the sum of $15,500, leaving from $40,000 to $50,000 still their due, and while these laborers whose families were clamorous for bread, were besieging the Quartermaster's Department for their pay, this rapacious contractor, Beard, was following up the army, and in the confidence of the Major-General who gave him orders for large purchases, which only could have been legally made through the Quartermaster's Department, and which afforded him further opportunities for still plundering the government."

THE HORSE AND MULE FRAUDS.

The operations of the Horse and Mule Ring in Missouri are summed up as follows:

"Your committee found that the most astounding and unblushing frauds have been perpetrated in the purchase of horses and mules made by the Quartermaster's Department; and the evidence left no doubt on their minds that the Quartermaster himself was in collusion with the corrupt and unprincipled men who combined together to swindle the Government. In these purchases fraud was perpetrated in every possible way. In the first place, matters were so arranged that it was impossible for the original owners to sell their horses or mules directly to the Government, but all such sales were made by middle-men and go-betweens, who it appears alone could get any horses or mules taken by the Quartermaster's Department. The maximum price fixed to be paid by the Government for ordinary cavalry horses and for mules, was $119, and that appears to have been the sum paid by the Government for every cavalry horse and every mule purchased in Missouri. The maximum price for artillery horses was $150. The prices paid by these go-betweens to the owners or the legitimate dealers immediately representing the original owners, ranged from $85 to $105, $108 and $110 for cavalry horses and mules, and $125 for artillery horses. The difference between these prices and the prices paid by the Government, that is $119 for cavalry horses and for mules, and $150 for artillery horses, went into the pockets of the favorite go-betweens. This difference of price in the purchase of a vast number of horses and mules, amounted in the aggregate to a very large sum, the greater part of which your committee think could have been saved to the Government had the purchase been made honestly, openly, and fairly, for the best interests of the Government."

A REGIMENT FOR A PLAYTHING.

As illustrating the reckless manner in which the public money was at this time being squandered, the committee instance the affair of one Col. Ward

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H. Lamon, who was Marshal of the District of Columbia, and assumed the rank of Brigadier-General. Lamon visited the West in October, 1861, and at Springfield, Ill., called upon E. H. Castle, who was in charge of railway army transportation in the Western Department, and stated that he was a Brigadier-General on an official tour, and wanted a special train to take him to St. Louis. As he wore the uniform, and sported the insignia of a Brigadier-General, and was known to Castle as the close friend of the President, the required transportation by special train was furnished, with orders to those in charge "to show him attention and contribute to his comfort." Arriving at St. Louis in grand state, Lamon procured General Fremont to order the 39th Regiment of Illinois Volunteers to be transported from St. Louis to Williamsport, Maryland, to join Lamon's imaginary brigade. This was done at a cost to the Government of about $30,000. At this time troops were being sent from the East to the West, and this very regiment had but a short time previous been ordered from Chicago to St. Louis. In regard to this transfer, the Secretary of War stated officially to the committee that he was "not informed of the military or other reasons that existed for the transfer of said regiment as aforesaid."

"The removal of the regiment," the committee say, "had no other object except the gratification of Mr. Lamon. But at such a time as this, when every dollar in the Treasury is needed to crush out the rebellion, they submit that the sum of $30,000 is too large a sum to be expended for the purpose of flattering the vanity of any single individual The removal of the regiment was not only without authority of law, but was inexpedient and without justification. Thirty thousand dollars of the public money has been worse than squandered in this transaction, which should receive unqualified condemnation."

This same Col. Ward H. Lamon, was a candidate for the nomination on the Republican ticket for Governor of West Virginia, but withdrew from the contest, and is now elector-at-large for that State on the Hayes and Wheeler ticket.

DAMAGED BLANKETS.

Another example of the shameless manner in which the Government was robbed, was the purchase of army supplies and clothing by a member of Fremont's staff. This officer bought a large quantity of "rotten and condemned blankets" from his son, who was a clerk in a Philadelphia store. The blankets were billed to the staff officer instead of the Government, at $1.45 apiece, and he turned them over to the Government at $3.85 a piece, he being the quartermaster and approved of the purchase himself. The loss to the Government and profit to the quartermaster was about $20,000.

SELLING COMMISSIONS.

The jobbery in the Department of the West under Fremont was not confined to the purchase of horses and mules, the building of useless fortifications and the purchase of worthless army supplies, but there appears to have been carried on a regular brokerage in commissions. The committee report that they had uncontradicted proof of the fact that Judge Edward P. Cowles, of New York City, was recognized in St. Louis as the "Tycoon" who controlled and dispensed commissions. Governor Barstow of Wisconsin, according to unchallenged testimony, actually paid Cowles $5,000 for a colonel's commission, and gave as his reason for paying this high price that he could with this commission in his pocket make from $25,000 to $30,000 in the purchase of a thousand horses.

NO COMPETITION IN LETTING CONTRACTS.

Another scandalous job discovered by the committee at St. Louis was the manufacture upon the order of Gen. Fremont of one hundred railroad cars to be used for army transportation. This was a contract given out through Judge Corwine of Cincinnati, afterwards a well known Washington lobbyist, to Albert S. Mowry of Cincinnati. There was no advertisement, and of course no competition. Corwine simply vouched for Mowry's responsibility, and was allowed to draw the contract, which the quartermaster approved and executed. Of this transaction the committee say that they "are clearly of the opinion that these cars were not required by any public necessity, that the cars on the Pacific Railroad were fully equal to the locomotives on the road, and with the slight alterations suggested by the president of the road fully equal to the demands of the army. In the

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judgment of the committee the expenditure of over $80,000 to $90,000 in building these cars, and the expenses of building twenty-five street cars in St. Louis, as testified to by Mr. Schaffer was entirely uncalled for, and inexcusably extravagant, because an unnecessary expense, and that $250 per car, say $25,000 of profit in the aggregate, and the fact that a lower bid is entirely overlooked, and the contract itself receives the special attention of the commanding general and his judge advocate, and still no security whatever is required, are facts which cannot be overlooked."

AS BAD AS ARMED TREASON.

Is it any wonder that the committee with all these facts before them, should deliberately record it as their opinion that there was running all through these transactions which they have discussed in their report, "a system of brokerage as unprincipled and dishonest, and as unfriendly to the success and welfare of the nation as the plottings of actual treason."

THE SECOND REPORT.

The committee, for several months after they had submitted their first report, from which the facts above set out are quoted, continued their investigation into the abuses of the War and Navy Departments. They submitted at the next session of Congress another lengthy report, in which they say that they have since the date of their first report "examined 350 witnesses," and taken "testimony which covers 1,600 printed pages." As a result of the exposures made in their former report, they say, "It is estimated that the sum of fifteen to twenty millions of dollars have been saved by the tax-payers of the country" and further that "the exposures of glaring abuses, which have been made by the committee have led to many important reforms, which are saving large amounts of money daily."

CENSURE DID NO GOOD.

The committee charge, that notwithstanding the severe censure in their first report of the Secretary of the Navy on account of the employment of Mr. George D. Morgan for the purchase and chartering of transport vessels, the practice had been continued, and that the War Department under Cameron's administration had countenanced it to a much larger extent than the Navy Department, and Mr. John Tucker of Pennsylvania, a man without the "slightest experience in the building, purchase, sale, command on sailing of a vessel," had been appointed "general transport agent of the Department." Tucker appointed a number of "sub-agents, and agents of sub-agents, or persons professing to act as such, who appeared in Philadelphia, New York, Boston, and other places," and monopolized the business of selling or chartering vessels. These men reimbursed themselves for their patriotic services by charging persons from whom vessels were bought or chartered, from two and a half to five per cent. of the purchase or charter money. The quartermasters instructed by the War Department to procure ships for transport purposes, acted in collusion with these agents, and persons who attempted to deal directly with the Government were invariably snubbed.

SOME OF TUCKER'S JOBS.

One of the first purchases made by Mr. Tucker in Philadelphia, was two ships belonging to Marshal Roberts, which cost him $111,000, but were sold to the Government through Tucker for $200,000. They were loaded with provisions and stores for the troops at Port Royal, and one of them foundered on her first voyage, her crew barely escaping, and the other was so badly damaged, as to be scarcely able to reach port with all of her cargo ruined.

The steamer Governor, another worthless vessel purchased by Tucker, foundered on her first voyage to Port Royal. The crew barely escaping death, reached the coast of North Carolina, where they were taken prisoners.

IN THE NEW ENGLAND DEPARTMENT.

A quartermaster named Paul R. George, conspired with a man named Johnson to defraud the Government in the purchase and charter of ships. The com-

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mittee in summing up the transactions of these two rogues, say :

"It came soon to be understood that no regular ship broker could effect a charter, and the owner who succeeded in person, without the aid of this Johnson, with his commission, was an exception. Nor was this all; the privilege of chartering vessels to the Government, in this Department, was distributed through the channel already described, among political and personal favorites. Vessels of a given capacity and price were tendered to the quartermaster, and by him refused, and others of less capacity chartered the same day at a higher price, not in a single instance only, but repeated over and over again, day after day. * * * In some instances one sum was agreed upon to be received by the owner, while a much larger sum was named in the charter, and paid by the government. The difference came into the hands of intermediate parties, or middle-men, that bane and almost universal curse, well nigh inseperable from all transactions in the supply of the Government during the war.

PAYING FOR IDLE VESSELS.

But it was not only by these two methods that the Government was defrauded. Vessels were chartered in great numbers long before they were needed by the Government, and, while anchored in some secure harbor for months at a time, the Government was paying millions of dollars in charter money. A few instances of this kind are pointed out by the committee.

"In this way, vessels laden with army supplies, which went out with the Sherman expedition in October or November, remained in the first harbor till midwinter and Spring without being unloaded, or ordered into other service or home, each one quietly and peacefully earning upon the unruffled waters of Port Royal and Beaufort $500, $1,000, $1,500, or $2,000 a day, according to its capacity, month after month. * * * What is true of the Sherman expedition, and Port Royal in this regard, is equally true of the Butler expedition and ship Island. The steamer Constitution, chartered for this expedition at $2,500 a day, and one dollar in addition for each person, carried over 2,500, was put in commission and pay at this enormous rate, on the 16th of November, but never left the wharf at Boston on her first voyage until after the 8th of January, having earned her owners before she weighed anchor, $135,000, but the Government nothing. On the 5th day of March last, she had earned her owners $315,000 charter money, but she had not earned Government, in all, to that date, what could have easily been done in that time by a steamer chartered for $350 a day. This steamer is still under pay, and her charter money approaches a million dollars. The small steamer Saxon, costing her owners new but $24,000, was chartered and put under pay on the 5th of December, at $300 per day; yet she did not leave the wharf on her first trip till the 5th of February, having earned her owners, in the meantime, $18,600, without having earned the Government one cent. She had earned on the 12th of March, $29,000 and made one trip to Ship Island. She took on that voyage eleven hundred barrels of provisions, which Captain Brigham, Commissary of Subsistence of the army stationed in Boston, testified could have been shipped to the destination for $825. The sailing vessel Idaho, chartered November 27th, at $6,000 per month, never left her moorings till the 7th of February."

ANOTHER OF BUSHNELL'S FRAUDS.

A Mr. Charles Mallory, of Mystic, Conn., had an unfinished vessel on the stocks which he called Varuna. C. S. Bushnell purchased her for the Government, agreeing to pay Mallory $135,000, he to finish her in a specified manner. But after these terms had been agreed upon, Bushnell proposed to take her for $110,000, and fit her up himself. Mallory accepted, and Bushnell, after the ship was launched, had her towed to the shipyard of Messrs. Westervelt, in New York, and had her finished at the Government expense, and turned her over, charging the price originally agreed upon with Mallory, $135,000; thus putting $25,000 in his own pocket.

CAMERON AND SCOTT'S BONANZA.

In treating the subject of the transporting of troops and military supplies by railroad, the committee comment very severely upon the appointment by

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Secretary Cameron, of Thomas A. Scott, Vice-President of the Pennsylvania Central Railroad, as superintendent of railroad transportation Scott was appointed in April, 1861, and continued to act in this capacity until August, when he was appointed Assistant Secretary of War. During all this time he was receiving his salary as Vice-President of the Pennsylvania Central Railroad. Mr. Cameron was himself interested in the Pennsylvania Railroad and the Northern Central Railroad. His brother-in-law was the President, and his son the Vice-President of the latter road. These two roads transported the bulk of the troops and army supplies from the West to Washington City. In view of this fact the committee say that "the employment of Mr. Scott was inexcusable." Acting as the agent of the Government, Mr. Scott fixed a tariff of charges against the Government to be paid to the railroad companies, which the committee pronounces "outrageous and indefensible." They say:

"The body of the testimony taken by the committee establishes the fact that the prices fixed by this schedule for transporting freights will exceed by 33⅓ per cent. the prices paid by private parties for like transportation. * * It is not necessary to say that under this arrangement the Pennsylvania Central and the Northern Central Railroads realized an unjustifiable profit. The report of the Pennsylvania Central of February 3d, 1862, shows the net earnings of that road for the pending year to be $3,646,338.19, being an increase of $1,350,235.95 over the preceding year, an increase of about forty per cent. The same is true of the Northern Central; indeed, as to that road the net proceeds were nearly double."

The committee conclude what they have to say upon this subject as follows:

"We are compelled to say that the testimony which is submitted in this connection establishes the fact that the Government, in consequence of the mercenary interests of public officials, has been made the victim of extreme injustice; that within reasonable limits a just and fair competition between the various rival railroads would not only have resulted in reasonable prices, but would have prevented the corrupt and dishonorable dealings which were instigated by the extraordinary prices fixed by the Secretary of War through Mr. Scott for railroad transportation. In the judgment of the committee there is no possible excuse for allowing *local rates*, when persons less conversant with the subject than the Secretary of War or Mr. Scott must have known that through transportation would be almost universal unless indeed, as in the shipment of cattle and horses to Harrisburg, and then their reshipment to Baltimore, the avarice of public officials overrode the public welfare."

FRAUDS AT CINCINNATI.

In addition to the frauds connected with the purchase of supplies for Fremont's army in the West, which were treated of in the committee's first report, they devote considerable space to a review of the fact subsequently brought out in regard to the purchase of supplies for the Western Department in Cincinnati. In August 1861, Fremont established a kind of subordinate military headquarters at Cincinnati, with his Judge Advocate R. M. Corwine as a sort of purveyor general. There was no authority of law for this, but Corwine having obtained permission of Governor Dennison commenced his operations; he appointed one John A. Lynch, who had been his law clerk, as a quartermaster, and then gave his brother-in-law Captain Dart, a contract to supply an indefinite quantity of army clothing. Two regiment of cavalry were raised, and equipped; the cost of the recruiting and the equipment of the regiments was very extravagant, all parties thereto being paid by commission on the amount expended. At the same time John E. Reeside was appointed by Fremont inspector of horses at Cincinnati, but his duties were also those of a purchasing agent, and he was allowed a commission of two and a half per cent. on all his purchases. Fremont limited him to $130 per head, as the price to be paid for cavalry horses; his purchases in the aggregate amounted to $909,910, on which he was entitled under the terms of his appointment by Fremont, to a commission of $22,000. At the same time a regular army officer was purchasing horses at Cincinnati, and thus a competition was created, which was of course detrimental to the interests of the Government; the prices paid by Reeside ranged from $125 to $130 per horse, while those paid by Captain Dickinson, the regular army officer, averaged $101 per head. In regard to the purchases of horses and mules at other points, the testimony taken developed the same state of facts, viz.: that the Government

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was invariably defrauded most shamefully. The following extract from the report is especially interesting now, in view of the fact that the son of Simon Cameron therein alluded to is now Secetary of War. The committee said:

WHERE DON CAMERON CAME IN.

"Mr. Cox (a dealer in horses residing near Indianapolis), sold horses to one Calder whom he understood to be the partner in business with the son of the late Secretary of War, Simon Cameron. This son of the late Secretary appears to have been interested in this "horse contract" as he arranged for the payment of money due Mr. Cox for the horses he furnished."

"The testimony of Mr. Cox on this point to which the committee refer, is as follows:

Q. Who were the contractors of the Government? A. I sold one lot of stock to Calder, a contractor at Harrisburgh. My understanding was that Secretary Cameron's son, a banker at Harrisburgh, was interested with Calder. I cannot say it was so. Cameron and he were in partnership in the banking business and I supposed they were in partnership in this matter. Beltzhoover agreed to furnish Calder so many mules at a certain price, and I furnished I believe, about one hundred head that went to Calder.

Q. At what price? A. I got $105 a head at Harrisburgh for that lot of stock.

Q. Do you know what the Government contract price for those horses was? A. I do not know what Calder's contract was, I believe it was $127.50.

Q. How large a contract had he? A. A contract for 500 mules.

* * * * * * * * * *

Q. Did you find it necessary to borrow sums of money in connection with this transaction from the banking house of Fletcher & Sharp of this city (Indianapolis)? A. I did borrow some money to enable me to fill my contract.

Q. Do you remember of saying to those gentlemen, or either of them, that the payment would be promptly made by the Government and giving as a reason for it that the son of Secretary Cameron was interested in that contract? A. Yes, sir; it was my understanding that he was interested.

Q. State how that understanding arose. From what did you understand that a son of Senator Cameron was interested?

DON RAISED THE MONEY.

A. Beltzhoover is a citizen of Carlisle, Pennsylvania, and he is acquainted with him. He purchased in Illinois some $7,000 worth of stock and could not pay for it. He came here and I had to raise the money for him. He told me that Calder and Cameron were good men; that they had a bank in Harrisburgh and that this money would be promptly paid. He remarked to me that Calder was an old citizen of Harrisburgh, and that he and Cameron's son owned a bank and were partners; and I supposed they were partners in the whole thing.

* * * * * * * * * *

Q. Did you see Cameron? A. Yes, sir.

Q. Did you see about the contract out here? A. No, sir; Cameron just assured me he would arrange the whole thing and that the money would be all paid. That is the only acquaintance I have with Cameron, I never saw him before that morning.

CALDER'S AND DON'S BONANZA.

The committee further state that Calder furnished 3,600 horses to the Government on contract which he obtained without competition. In regard to the prices paid for horses the committee say:

"The average price paid by the Government for horses was, according to the testimony before the committee, about $125, while the price paid to the original owners seems to average from $90 to $100. Irwin, quartermaster's agent at Cincinnati, who had purchased over 1,8000, says that the profits on the horses sold to the Government at $130, could not have been less than $25 per head. * * * * It seems that it was very difficult for original owners and breeders of horses to

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get contracts. We find that they were given out to bankers, publishers, hotel-keepers, distillers, dry-goods men and men of all sorts of business, more or less foreign to the subject of such contracts. Contracts obtained by such parties were, of course, frequently let out to other parties more experienced in the business and even sub-let to third parties. The effect of this was, as seen from the above, that about $25 per head went into the pockets of contractors, while the original owners and breeders, many of whom would have been able and anxious to fill contracts far cheaper if they had been properly informed by advertisements and had found no difficulties thrown in their way in obtaining the contracts or disposing of their stock, had to put up with very small profits."

The facts quoted from the two reports made to the House of Representatives by the committee whose lease of life WILLIAM A. WHEELER attempted by parliamentary subterfuges to limit to the short duration of time covered by the extra session of the XXXVII. Congress speak for themselves, and need no comment here.

IN CONCLUSION.

It is only necessary to say that the Simon Cameron who was driven from Mr. Lincoln's cabinet in disgrace by the exposure of his official misconduct made by this committee, is the same Simon Cameron who is now Chairman of the Republican Congressional Executive Committee, and that the son of Simon Cameron who is charged by the committee with being concerned in horse contracts with Calder is now Secretary of War, and headed the Pennsylvania delegation to the Republican Convention at Cincinnati, and as is universally conceded, secured there the nomination of Rutherford B. Hayes as the Republican candidate for the Presidency.

PART SECOND.

William A. Wheeler's Record in the Forty-first, Forty-second, and Forty-third Congresses.

ALWAYS FOR THE FEW AGAINST THE MANY.

The following pages contain the Record made by WILLIAM A. WHEELER during his term of service in the Forty-first, Forty-second and Forty-third Congresses. From March 4, 1869, to the close of the Forty-second Congress, Mr. Wheeler was Chairman of the Committee on Pacific Railroads of the House of Representatives. This was one of the most responsible positions in which he could have been placed, as a representative of the people, during that period of time. Two great corporations, gorged with subsidies which they had obtained from Congress by purchasing the influence of the leaders of the Republican majority, had still other schemes of plunder which they expected, by similar means, to have sanctioned; and in addition, two other Pacific Railroad companies, with their gigantic undertakings just started, were also seeking favors at the hands of the people's representatives. The policy of the Republican party upon the question of subsidy legislation had assumed definite form long before this, and it would be requiring too much of the average politician, like Mr. WHEELER, to have expected him to array himself against the well-settled policy of his party and the tremendous influences exerted by the corporations to be benefited thereby; but had he been a statesman—a conscientious representative of the people—he would have exerted the power which he, as Chairman of this important committee, possessed, to guard in every possible way the rights of the many, which the grasping monopolies and their purchased supporters in Congress always disregarded.

An examination of Mr. WHEELER's record will show that he was always the champion of the Pacific Railroad corporations, and utterly regardless of the rights of settlers as well as of the government of the United States. This will be found true, even after he became chairman of the Committee on Commerce in the Forty-Third Congress. When the bill to relieve the Commerce of the Ohio Valley from the exactions of the Louisville and Portland Canal Company came to the House from the Senate, Mr. WHEELER exerted to the utmost, his influence with the Republican majority, to fasten upon the measure restrictive features which would postpone for two years the relief which the great valley of the west was clamorously

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demanding. He was successful, but the Senate struck out this amendment, and finally after a long and desperate struggle, the great measure was carried over his head. Of course, Mr. WHEELER had a plausible pretext to justify his opposition to the government's assumption of the Louisville and Portland Canal. But how shallow it was! The man who, as Chairman of the Committee on Pacific Railroads, had championed every job in the interest of those monster corporations, and opposed every effort to hold them to a strict accountability to the government, became, all at once, very solicitious about the interest of the United States, when it was proposed to legislate for the many against the few who were joint stockholders along with the United States in the Louisville and Portland Canal Company! But let Mr. WHEELER's record speak for itself!

WILLIAM A. WHEELER has been a member of Congress from the 19th District of New York, continuously from the 41st Congress to the present time. He was made Chairman of the Committee on Pacific Railroads when the House was organized at the beginning of the 41st Congress, and was continued in that important position until the commencement of the 43d Congress.

THE BURLINGTON AND MISSOURI RIVER R. R. JOB.

On April 7th, 1869, he reported back from the Committee on Pacific Railroads, Senate resolution No. 29, which provided that the act of Congress approved July 26, 1864, granting lands to the Burlington and Missouri River Railroad Company, to aid in extending its road through the then Territory of Nebraska, to connect with the Union Pacific Railroad, should be so construed as to authorize that company to assign and convey to the Railroad Company to be organized under the laws of the State of Nebraska, all the rights, powers, and privileges granted, and conferred by the act, and subject to all the conditions and requirements therein contained.

In making this report, Mr. WHEELER explained to the House that the railroad, which had received a grant of land across the State of Iowa, and the Territory of Nebraska, was then completed within 80 miles of the Missouri River; that the corporation desired to continue it to the Junction with the Union Pacific Railroad, but that Nebraska having become a State, and enacted a general railroad law, the parties interested desired to have the benefit of it. With this brief statement Mr. WHEELER demanded the previous question, and the joint resolution was read a third time, and passed without division—[*See Cong. Globe*, Vol. 74, p. 500.]

There has been as much jobbery, fraud and corruption connected with the Burlington and Missouri River Railroad as with any of the main Union Pacific Rail road schemes. The object of the men interested in this railroad in desiring the legislation which they obtained at the first session of the 41st Congress, was to enable them to have the advantage of the general railroad act which had been passed by the State of Nebraska a short time previous. This general railroad law granted corporations organizing under it greater privileges than was possessed by the charter the company had obtained from the State of Iowa and the United States. Another scheme which the Burlington and Missouri River Railroad Company had in view, was the gobbling up of more lands in Nebraska than had been originally granted to them by the Act of 1864. The 19th section of that Act gave them ten alternate sections of public land, designated by odd numbers, for every one mile of road, on each side of the road not sold, reserved or otherwise disposed of. The railroad company claimed that this was a grant without lateral limits, that is if they could not find the number of sections of land per mile granted within the ten sections wide on each side of the road, they could go beyond that and select lands north and south of their land at an indefinite distance therefrom. They had before this time presented their claim for this remarkable privilege to the Interior Department, and Secretary Browning had made an adverse decision thereon, but at this very time this legislation granted by the joint resolution, was pending in Congress, they had renewed their application to the Interior Department, and Secretary Delano reversing the decision of his predecessor, Mr. Browning, had recognized their right to go beyond the lateral limits of the grant, and select lands wherever they could be found unoccupied. The joint resolution No. 29, which Mr. WHEELER put through the House, as above stated, on the 7th day of April, 1869, had been introduced in the Senate on March 16th, by (Subsidy) Pomeroy, who then demanded its passage, but on account of the absence of one of the Senators from Nebraska, it was suffered to lie on the table until March 18th, when it was called up by Pomeroy and passed without division.

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This was the only bill reported by Mr. WHEELER from the Committee on Pacific Railroads during the first session of the 41st Congress. On April 9th, two days after he secured the passage of Senate resolution No. 29, for the benefit of the Burlington and Missouri River Railroad, he asked and obtained leave of absence for the remainder of the session.

TEN LITTLE JOBS.

On January 19th, 1870, second session of the 41st Congress, Mr. WHEELER reported a bill granting the right of way to the Utah Central Railroad Company, and had it printed, and re-committed.—[*See Cong. Globe*, Vol. 75, p. 576.]

On February 12th he asked unanimous consent to report back the same bill from the committee on Pacific Railroads, but Mr. Dawes of Massachusetts objectee.—[*See Cong. Globe*, Vol. 76, p. 1235.]

On June 16th, Mr. WHEELER reported this bill from his committee, and it passed without division. It granted the right of way through the public lands from near Ogden City on the Pacific Railroad, to Salt Lake City, and gave all the material necessary for its construction from public lands on the line of the road; and all the land necessary for station buildings, &c., and 2200 feet of the public land on each side of the road. The bill was, on recommendation of Mr. WHEELER alone, passed without division.—[*See Cong. Globe*, Vol. 79, p. 4512.]

On January 25th, 1870, Mr. WHEELER, by unanimous consent, introduced a joint resolution [*House Resolution, No.* 134] authorizing the North Pacific Railroad Company to issue its bonds for the construction of its road, and to secure the same by mortgage, which was read a first and second time and referred to the committee on Pacific Railroads and ordered to be printed. This bill was not reported back during the second session.

On March 3d, 1870, Mr. WHEELER introduced, and had referred to his committee, *House Resolution, No.* 1404, granting lands to the Territory of Wyoming, to aid in the construction of a railroad from a point on the Union Pacific Railroad, at or near Church Bute Station, in said territory, to the head waters of Smith Fork, in the Unita Mountains.—[*See Cong. Globe, Vol.* 76, *p.* 1669.] This bill was not reported back during the second session.

March 8th, 1870, Mr. WHEELER reported to the House a bill, introduced and referred to the Committee of Pacific Railroads, by Mr. Palmer of Iowa, authorizing the construction of a railroad bridge across the Missouri River, from Council Bluffs to Omaha. The bill was read a second time, ordered to be printed, and re-committed. On June 21st it was reported back and passed.—[*See Cong. Globe*, Vol. 79, p. 4685.]

On March 8th, Mr. WHEELER also, by unanimous consent, reported from the Committee on Pacific Railroads, a bill relating to the central branch of the Union Pacific Railroad, which was read a first and second time, ordered to be printed, and re-committed.

The same day, he reported from the same committee, a bill to amend an Act, entitled, "an Act granting lands to aid in the construction of a railroad and telegraph line, from the State of Missouri and Arkansas to the Pacific Coast, by the Southern route," approved July 27, 1876. It was read a first and second time, ordered to be printed, and re-committed.

Also at the same time, a joint resolution concerning the Southern Pacific Railroad, of California, which was read a first and second time, ordered to be printed, and re-committed.—[*See Cong. Globe*, Vol. 77, p. 1762.

On March 24th he reported with amendment, Senate Bill, 447, to incorporate the Missouri, Kansas and Texas Railroad Company, which was read a first and second time, ordered to be printed and re-committed.—[*See Cong. Globe*, Vol. 77 p. 2176.] This bill was not reported back during the second session.

In April he reported a bill to incorporate the Kansas, Indian Territory and Gulf Railroad Company, to enable the Missouri River, Fort Scott, and the Leavenworth, Lawrence and Galveston Railroad to unite upon and construct a single track through the Indian Territory, which was read a first and second time, ordered to be printed and re-commited.—[*See Cong. Globe*, Vol. 77, p. 2459.]

On April 25th, Mr. WHEELER introduced a bill granting lands to aid in the construction of a Railroad and Telegraph line from Columbia River to Great Salt Lake.—[*See Cong. Globe*, Vol. 78, p. 2961.

THE BIG NORTHERN PACIFIC JOB.

On May 5th, Senate resolution No. 121, same as House resolution 124, referred

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to above, authorizing the Northern Pacific Railroad Company to issue bonds and secure the same by mortgage, came up and Mr. WHEELER advocated its passage. This act greatly enlarged the grant of land to the Northern Pacific Railroad Company, because it provided that, "In the event of there not being in any State or Territory in which the main line or branches of the same are located at the time of the final location thereof, the amount of lands per mile granted by Congress, within the limits prescribed by its charter, then the Company was entitled to receive so many sections of land belonging to the United States, and designated by odd numbers in such state or territory, beyond the limits prescribed in said charter, as will make up such deficiency on said line or branches to the amount of lands having been granted, reserved or sold, occupied by homestead settlers; pre-empted, or otherwise disposed of, subsequent to the passage of the act of July 2, 1864." During Mr. WHEELER'S speech, urging the passage of this bill, Mr. Randall asked him how many acres of land were donated by this grant.

"Mr. WHEELER: I am utterly unable to tell the gentleman now, but he will understand what is the extent of the grant before I get through.

"Mr. RANDALL: I am surprised that the gentleman should support a bill when he is unable to tell us the number of acres granted by it."

Mr. WHEELER in advocating the bill said: "This second continental enterprise which is to unite by iron bands the great lakes with Puget Sound and the Pacific Ocean, which the war and the financial condition of the country temporarily suspended, is now inaugurated under such auspices as to command its speedy completion. Backed by wealthy capitalists, the ground has been broken upon the road, and henceforth the work is to be pressed with all the energy and indomitable will which characterizes all American enterprises. The day for arguing the absolute necessity for this road, has long since passed. By every consideration of foreign and domestic policy, it has confessedly no superior among the public works of the country; Congress has declared this by its previous liberal grants to this company. The company is not here to-day to ask for money or enlarged sudsidies in lands. It seeks by this legislation three things."

THE THREE THINGS THE LOBBY DEMANDED.

These three things were first, that it wanted the national impress upon its mortgage, and, as WHEELER expressed it, "Uncle Sam's sign manual on its bonds to make thom more desirable to foreign capitalists;" second, to change the route of its main line so it could build by way of the Columbia river; and third, it wanted made good to them all the lands originally granted, no matter if they had been occupied by settlers. In regard to Mr. Randall's question, Mr. WHEELER said, "If more land is taken, it will only be because the line is lengthened by this change of route." Mr. WHEELER allowed, altogether, only ten minutes to opponents to the bill to oppose it.

Mr. Cox, of New York, and Mr. Vanwyck, protested against this course in choking off debate; but Mr. WHEELER demanded the previous question, and on this Mr. Randall demanded tellers. The House, by a vote of 78 yeas to 59 nays, seconded the previous question. Mr. Styles, of Pennsylvania, then moved to lay the bill on the table, on which Mr. Cox demanded the yeas and nays, which were ordered. By a vote of 58 yeas to 85 nays, the House refused to lay the bill on the table. Mr. Cox then moved to adjourn, on which the ayes and noes were ordered, and by a vote of 54 ayes to 93 noes, the House refused to adjourn. Mr. Farnsworth, of Illinois, then moved to re-consider the vote by which the main question was ordered, and demanded the ayes and noes, which were ordered; and by a vote of 60 ayes to 83 noes, the House refused to re-consider. Mr. Ela, of New Hampshire, then moved that the House adjourn, on which the ayes and noes were ordered, and again, by a vote of 54 ayes to 89 noes, the House refused to adjourn.

BLAINE AND WHEELER WORK TOGETHER TO PUT THE JOB THROUGH.

The opponents of the bill then attempted to fillibuster by demanding a call of the House, but the Speaker ruled that the previous question was operating, and that dilatory motions were not in order. Mr. Styles, of Pennsylvania, appealed from the decision of the Chair, on which the ayes and noes were ordered, and the decision of the Chair was sustained. It being apparent that the opponents of the bill would fillibuster, the House finally adjourned; but the Speaker [Mr. Blaine]

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ruled that this bill would come up on Monday as unfinished business, immediately after the reading the Journal. The object of the opposition in fillibustering was to compel Mr. WHEELER to admit an amendment which would secure the rights of the actual settlers; but Mr. WHEELER resolutely declined to even allow such an amendment to be considered as pending, so that it might be voted upon.

On May 10th the bill came up as unfinished business, and Mr. Farnsworth of Ill. was allowed one minute to make a statement. He said: "Mr. Speaker; there are two amendments which gentlemen of this House desire to have voted on; one is reserving to Congress the right to fix the tariff of rates for freight and fare upon this road, and the other to confine the sales of land in limited quantities to actual settlers. With the right to vote on these two amendments and with a brief discussion of this joint resolution which grants over fifty millions of acres of land to this corporation, and it may be 75 to 100 millions of acres from the phraseology used, only one hour of debate having been allowed on it, and that portioned out to those only to whom the gentlemen having charge of the joint resolution saw fit to yield; with the right to vote on the amendments I have suggested, and a brief discussion, I think the members I am operating with, will be content. Without that, I for one, am disposed to fight the proposition; it is too big a dose."

Mr. WHEELER in reply, said: "The matter of charges for Government transportation is fully regulated by the original charter. I have repeatedly declared that I do not regard it as equitable to attach a provision to this old grant, limiting the price of land. In this opinion the Senate has by a very large majority concurred; so has the House Committee on Pacific Railroads, and on Public Lands. The bill as it now stands has been sustained by a decided majority of the House at every stage. I do not, therefore, feel at liberty, if I had the power, to consent that it should be changed. The responsibility of delaying its passage, and of stopping the wheels of legislation is entirely with those who are not content with the action of the majority. I insist on the previous question."

WHEELER CONTRADICTED FLATLY.

"Mr. Hawley: Mr. Speaker –

"The Speaker: For what purpose does the gentlemen rise?

"Mr. Hawley: I rise simply for the purpose of denying that the majority of the Committee on Public Lands ever consented to the passage of this joint resolution."

The remainder of the day was consumed with dilatory motions. Mr. WHEELER declining to admit the amendments insisted upon by the opponents of the bill, and the House finally adjourned. The next day the bill came up again on the demand of Mr. Schenck of Ohio, for the regular order. Mr. Orth of Indiana. who had hitherto voted and acted with the minority in insisting on the amendments, gave way and went over to the majority and favored the passage of the job. Mr. Van Trump asked Mr. Orth if he intended to yield without some understanding. Mr. Orth with his usual sincerity replied, that he did not yield anything.

Mr. WHEELER in explanation of his tyrannical course in the management of the bill said: that he "was simply carrying out the will of the great majority of the House" in denying all opportunity for the consideration of amendments to the act. In regard to the dilatory motions of the appointments of the bill he said: "I have simply to say further, that nothing is to be gained by delay. This question may as well be met to day as ever. Gentlemen understand its merits and if they are disposed to vote the joint resolution down, let them do it in a manly and fair fashion. I am not contending here now at this stage of the proceedings, for the Northern Pacific Railroad; it is simply for the right of the majority of this House to shape its legislation, and I cannot consistently abandon this contest untill the right of this majority so to do, is either vindicated or surrendered."

TEMPORARY DEFEAT OF THE LOBBY.

On a motion to order the bill to a third reading, the yeas and nays were demanded by Mr. WHEELER, and the result was, yeas, 77; nays, 91. Mr. WHEELER voted in the negative in order that he might enter a motion to re-consider the vote by which the House refused to order the bill to a third reading, which he did, and also moved to re-commit it to the Committee on Pacific Railroads. A great number of amendments were then admitted, and it was moved to refer the resolution and amendments to the Committee on Public Lands. Mr. Maynard of

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Tennessee, moved to amend by substituting the Committee on Pacific Railroads, which was agreed to, ayes, 113; noes, not counted.—[*See Cong. Globe*, vol. 78, pp. 3,263–71, 3,344–49, 3,365–68.]

On May 25th, Mr. WHEELER reported back the resolution from the Committee on Pacific Railroads without amendment. He allowed an hour for debate on the resolution and then called the previous question, and reserved an hour for himself and the other friends of the measure.

Mr. Sargent of California: "Do I understand the gentleman that he proposes to yield one hour to the twenty-four gentlemen who propose to offer amendments to this joint resolution?"

Mr. WHEELER: "I did so say."

TWO MINUTES TO THE OPPOSITION.

Mr. Sargent: "That is a little over two minutes to each gentleman."

After a discussion as to the time for debate, Mr. WHEELER said: "I do not desire to limit debate to two hours if the rules of the House do not require it."

The speaker stated the parliamentary condition of the bill; that the House having given leave to report at any time, it had its place as having precedence of all other business until it shall have been disposed of; and stated further that "whenever the gentleman reporting the bill notified the Chair that he desired to test the sense of the House on bringing the debate to a close, it would be the duty of the Chair to recognize him."

"Mr. WHEELER: With that understanding I am willing that the gentlemen may proceed in such a way as may suit themselves."

Mr. John B. Hawley then addressed the House in a speech occupying eight columns of the *Globe*, and forty-one minutes, in advocacy of an amendment fixing the prices of the land to actual settlers at $2.50 per acre, in quantities not exceeding 160 acres. At the close of his speech Mr. WHEELER gave notice that at 3 o'clock he would call the previous question. Mr. Clark of Kansas said that that was not the understanding.

CHOKING OFF DEBATE.

"Mr. WHEELER: I give notice now, that at three o'clock I will demand the previous question."

Mr. Hawley offered his amendment and Mr. Sargent followed in a brief speech and offered an amendment. Mr. Cessna of Pennsylvania, objected to the second one, the rules permitting but two amendments to be pending at one time. The Speaker ruled that the power of members to offer amendments was exhausted at the time they were referred and ordered to be printed. Mr. Clark of Kansas called attention to the presence of the lobby on the floor. After debate, the previous question was seconded, 93 yeas, to 43 nays. The main question was ordered, yeas 106, nays 66. Mr. WHEELER then took the floor to close the debate, yielding a portion of his time to Messrs. Fitch, of Nevada; Smith, of Oregon; Cox, New York, and Poland of Vermont. Mr. Cox was only allowed a three minute speech, and said among other things, "I have fought these land grant bills against gentlemen who, now, for some reason, are opposing this joint resolution; I have no sympathy for any of these schemes, and therefore I speak so frankly. I have seen members whose constituents have been gorged with plunder out of this system of land grants, pressing these schemes; with the pockets of their constituents gorged, they now oppose any competition with their peculiar roads, which have been built with money and lands of the whole people. * * * I have opposed them as I told the member from Maine, (Mr. Lynch,) at the beginning of this session, because

THEY WERE RUNNING SORES

upon the body politic evils, not merely of the present, but reaching far out into the future affecting land tenures hereafter, and unless the Republican party shall hereafter oppose these schemes by a larger vote, and by a stronger body than they have done heretofore, their doom is sealed as certainly as if they opposed free trade, or a revenue tariff."

The amendments offered by Mr. Hawley and Mr. Sargent were rejected by almost two to one.

On May 29th, the bill came up again, and all amendments were voted down, the bill was passed. Yeas, 197 nays, 85, as follows:

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THE RECORD VOTE.

YEAS: Messrs. Allison, Ames, Archer, Armstrong, Atwood, Axtell, Ayer, Bailey, Banks, Barnum, Barry, Bennett, Benton, Bingham, Blair, Booker, Bowen, Boyd, G. W. Brooks, Buckley, Burdett, R. R. Butler, Cake, Calkin, Churchill, Wm. T. Clarke, C. L. Cobb, Conger, Connor, Covode, Cowles, Dawes, Degener, Dickey, Dixon, Dockery, Dox, Garfield, Gibson, Hamilton, Harris, Hays, Hoar, Hooper, Hotchkiss, Johnson, A. H. Jones, Kelley, Kellogg, Kelsey, Ketcham, Knapp, Laflin, Lash, Logan, Lynch, Maynard, McCarthy, McKee, McKenzie, Morphis, D. J. Morrill, Morrissey, Myers, Negley, Newsham, O'Niel, Peck, Perce, Peters, Phelps, Poland, Pomeroy, Prosser, Roots, Sawyer, Schenck, Schumaker, L. A. Sheldon, P. Sheldon, Sherrod, Shober, J. S. Smith, W. J. Smith, W. C. Smith, W. Smyth, Starkweather, Stokes, Stoughton, Strickland, Taffe, Tanner, Tillman, Townsend, Trimble, Trichard, VanAuken, C. C. Washburne, Wm. B. Washburn, WHEELER, Whittemore, Wilkenson, and Eugene W. Wilson —107.

NAYS: Messrs. Ambler, Arwell, Asper, Beatty, Beck, Biggs, Bird, Jas. Brooks, Buffington, Burchard, Cessna, Sidney Clarke, Cleveland, Amasa Cobb, Coburn, Cook, Cox, Crebbo, Cullom, Dickinson, Donnelly. Duvall, Dyer, Ela, Eldridge, Farnsworth, Finklenburg, Getz, Griswold, Haight, Holdeman, Hale, Hamill, Hawkins, Hawley, Hay, Heflin, Hill, Holman, Ingersoll, Kerr, Knott, Lawrence, Lewis, Marshall, Mayham, McCrary, McGrew, McNeeley, Murcur, E. H. Moore, J. H. Moore, Wm. Moore, Morgan, Orth, Packard, Packer, Paine, Potter, Randall, Reeves, Rice, Rogers, Sargent, Scofield, Shanks, J. A. Smith, Stevens, Stevenson, Stiles, Stone, Strong, Swann, Taylor, Tyner, Upson, VanWyck, Voorhees, Ward, Willard, Williams, J. T. Wilson, Winans, Witcher and Woodward, —85.

WHAT THERE WAS IN THE JOB.

The reason of the anxiety of the Northern Pacific Railroad lobby for the passage of the above act was this: A company had been formed known as the Lake Superior and Puget Sound Land Company, in which all the principal ground floor stockholders of the Northern Pacific were interested. This company was selecting all the valuable town sites along the line of the road, and acquiring title not only to the lands granted to the railroad company, but, with an army of hired squatters, was fraudulently preempting the even-numbered sections which were not granted to the railroad company, near to the town sites which they were locating. Thus the men interested in this huge job were acquiring not only all the lands granted to the company, but were gobbling up those reserved to settlers, and now, by the bill which WHEELER passed for them, they were to have made good to the railroad company those which they were stealing with their army of hired squatters.

A FIVE MILLION JOB ATTEMPTED.

On June 2d, same session of Congress, Mr. WHEELER reported an original bill from the Committee on Pacific Railroads, granting the Island of Yerba Buena to the Western Pacific Railroad Company, for its terminus; the bill was read a first and second time, and Mr. WHEELER announced that at 15 minutes of two o'clock, he proposed to call the previous question. The Western Pacific Railroad was only another name for the Central Pacific Railroad. The bill provided that whereas the Western Pacific Railroad, the Western link in the chain of railroads connecting the Atlantic and Pacific Oceans, is now completed to Oakland, opposite San Francisco, and it is important that the Western terminus of said railroad should be as near as possible to San Francisco, and should have sufficient accommodations for the travel and commerce passing over said road, therefore, the bill provides that the Island of Yerba Buena, or Goat Island, in the bay of San Francisco, is hereby granted to the Union Pacific Railroad Company, its successors and assignors for a terminus for its railroad, provided that one-half thereof shall be reserved for the United States for fortifications and military purposes, to be selected within six months from the passage of this act, by, or under the authority of the President of the United States. In the case of necessity, in actual war, the United States had reserved to it the right to use any and all portions of the Island. The railroad company had the right to build trestle or pile across the channel, and all railroad companies had the right to run their

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cars from the main land over the track of the Western Pacific Railroad to the Island, under such rules and regulations as that Company might make.

Mr. WHEELER, in advocating this bill, spoke of the accomplishment of the grand project of uniting the two great oceans, binding the Republic by iron bands, and then argued that the donation of this valuable piece of property to the Railroad Company will not interfere at all with the rights of the Government, if it ever became necessary to use the Island for military purposes, and said it was the duty of the Government, having invested fifty or sixty million dollars in the Union Pacific and Central Railroad Companies, to foster them in every way.

SHALL THE FANGS OF THE VAMPIRES BE LOOSENED?

Mr. Knott, of Kentucky, moved to amend the bill so as to require the railroad company to pay $2,000,000 for this island. Mr. Knott said in support of his amendment, "Mr. Speaker, in the remarks which I shall have the honor to submit on the amendment just offered, I wish to make no allusion to the fact that the title to the island proposed to be given away by this bill is in litigation, that it is claimed by private parties; nor shall I have any animadversions to make upon the enormous subsidies which have already been given to this company, by which it has been able to complete its road, as I am informed without an outlay of a solitary dollar by the stockholders; but I propose now to ascertain whether it is possible that any of these corporations that have fastened their fangs like vampires upon the throat of the body politic, shall have their hold loosened, or whether they are to be permitted to gorge themselves yet fuller on public plunder; whether after the Congress of the United States has given them untold millions of dollars, we are now to leave them to sustain themselves, or whether we are to permit them to ride this government as the Old Man of the Sea rode Sinbad the Sailor, until all its energies are utterly prostrated. * * * I am informed by authority which I can credit, that this island, Yerba Buena, is worth in cash $5,000,000. I am informed by gentlemen in no wise interested in this question, that if the island were put up at sheriff's sale to-morrow, the first bid would be $1,000,000. If there is anybody, natural or artificial, on God Almighty's green earth that is able to pay for this island, it is certainly this enormous corporation which has fed fat upon the blood of the body politic."

THE MINORITY GAGGED, CAN ONLY FILLIBUSTER.

After a speech from Mr. Axtell, of California, in favor of the bill, Mr. WHEELER moved the previous question on the bill, when Mr. Holman moved that the House adjourn, and called for the yeas and nays; subsequently he substituted for the motion to adjourn one to lay the bill on the table, upon which the yeas and nays were ordered; by a vote of 65 yeas to 99 nays the House refused to lay the bill on the table. The previous question was then seconded on the bill and amendments; the yeas and nays were called on Mr. Knott's amendment and it was rejected, yeas 76, nays 91; the House then adopted an amendment offered by Mr. Maynard, of Tennessee, which provides that whenever the President of the United States shall direct it, the railroad company shall erect a drawbridge over such portion of the channel as the engineering department of the United States shall direct. Another motion was made to lay the bill and pending amendment on the table, which was rejected, 73 yeas, 92 nays. There were some further dilatory motions, during which Mr. Wood, of New York, said: "Would it be in order for me to offer $2,000,000 for this island which it is now proposed to give to this corporation? If such a proposition would be in order, then I make that offer to the Government."

"Mr. Mungen: I will see the gentleman from New York (Mr. Wood) and go $500,000 better, if I can have ten hours to go to New York to make arrangements for the money."

The bill went over as unfinished business and came up the next day in the morning hour. On the question, will the House order the main question on the passage of the bill, Mr. Holman demanded the yeas and nays and they were ordered, and by a vote of 77 yeas to 74 nays the main question was ordered. On the passage of the bill there were some further dilatory motions, and an arrangement was made by which Mr. WHEELER allowed the opponents of the bill 15 minutes to discuss it.

THE ISLAND ESSENTIAL FOR THE DEFENSE OF SAN FRANCISCO.

Mr. Washburne, of Wisconsin, consumed this time. He said, in the course of his remarks, that "If the member from the Brooklyn District, State of New

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York, should come in here with a proposition to give Governor's Island to the Long Island Railway, and allow the Long Island Railway Company to bridge the channel between Long Island and Governor's Island, that proposition would be identical with the one now before the House." He called attention to the fact that a commission of the ablest officers of the Engineer Department had reported that it would be most disastrous to the Government to part with the island of Yerba Buena; that it was necessary for the defense of the city of San Francisco and Harbor. He quoted the following extract from the report of the commission: "This island is regarded in this city as a very valuable piece of property, if the public mind could be disabused of the idea that it may be obtained for railroad and commercial purposes by an act of Congress; and if the Government were disposed to sell the island, and were to put it up at auction to be sold to the highest bidder, it would probably bring $5,000,000.

Mr. WHEELER, after speaking 15 minutes in support of the bill, forced a vote on it, and it was rejected; yeas, 80; nays, 82, Mr. WHEELER voting in the affirmative, and, immediately after the vote was announced, entered a vote to re-consider.—[*See Cong. Globe, Vol.* 79, *pp.* 4,512-16, 4520-26.]

This bill did not pass and go to the Senate, and as there was very little business transacted at the first session of the 42d Congress, another opportunity to put through the Yerba Buena job did not offer to Mr. WHEELER until the second session of the 42d Congress.

THE SAME JOB IN A NEW FORM.

On February 16th, 1872, Mr. WHEELER from the Committee on Pacific Railroads, by unanimous consent, reported a bill (H. R. No. 1553) relating to the Central Pacific Railroad, which was read a first and second time, and re-committed. On March 5th, Mr. WHEELER reported back this bill from the Committee on Pacific Railroads with an amendment. The first section grants one half of the Island of Yerba Buena to the Central Pacific Railroad for the terminus of its road, free use for military purposes during war being reserved to the United States. Second section protects private interests if any existed and authorized the Company to build its line from Oakland to the Island, provided it be done within three years from the passage of this act. Section third provides that if at any time the wants of commerce shall require it, upon the direction if the President, the Central Pacific Railroad shall erect a draw-bridge, under the direction of the Engineering Department. Section four provides that all railroads shall have the right to pass over the track under such rules and regulations as the Central Pacific shall prescribe, but they shall first pay to the Central Pacific Railroad a just proportion of the improvements on the Island, and the expense of reaching the same from the main land. The amendment grants the use of one half of the Island to the Central Pacific Railroad Company for a terminus for its road to be used exclusively for railroad purposes, and this grant shall continue so long as the said premises shall be used by the said Company, its successors, and assigns, for the purposes above named, and no longer.

Mr. WHEELER advocated the bill in a speech of ten minutes, and then yielded ten minutes to Mr. McKinney of Ohio, who moved to add at the end of the bill, the following: "Provided said company shall pay into the Treasury of the United States annually a sum of $50,000, for the use of one half of said Island as provided in this bill." Mr. Coburn obtained leave to have read an amendment which provided that all after the enacting clause should be stricken out, and the Secretary of War be required to have the Island surveyed by officers of the Engineer's Corps, and report whether the whole or part of the same was necessary for purposes of protection and military defense. Mr. WHEELER refused to allow this amendment to be considered as pending.

AT THE LOWEST ESTIMATE THE ISLAND WAS WORTH $2,000,000.

Mr. McKenny of Ohio said in support of his amendment, "The Union Pacific Railroad Company, embracing the Central and Western, have received from the Government of the United States subsidies of land to the amount of over 25,000,000 acres, and they have had subsidies in bonds to the amount of over $55,000,000: they have received more in subsidies from the Government than it cost to build their road. The Government has built their road, and left enough in their hands to make them a wealthy corporation, one of the most wealthy in the world, and now, sir, they come into this House and ask that they shall be subsidized again;

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they ask, as is shown by the testimony, for property worth from two to five millions of dollars, or I can say from two to ten millions; the lowest reliable estimate I believe that has been made is $2,000,000."

Mr. WHEELER announced that he would call the previous question at the end of the morning hour. Mr. Banks said that this proposition should not be hurried through without debate. The debate was continued beyond the morning hour, and Mr. Killinger and Mr. Cox spoke in opposition to it. The next day, March 7th, it came up in the morning hour as unfinished business, and was opposed by Mr. Kerr of Indiana, by Mr. Hay and by others. The next day, March 8th, Mr. WHEELER demanded the previous question, and Mr. Banks moved to adjourn; it was carried and the bill went over until March 12th, when it was called up by Mr. Garfield of Ohio, demanding the regular order of business. Mr. Sargent of California, who acted as an agent of the Central Pacific Railroad while a member of the House made a long speech in support of it. Mr. Holman of Indiana moved to lay the bill on the table, which was decided in the negative, yeas 73, nays 94—the question recurred on seconding the previous question to recommit the bill on which the yeas and nays were ordered, and by a vote of 95 yeas to 67 nays, the House seconded the previous question. The motion to recommit was taken and agreed to.

PLAYING FOR TIME TO GIVE THE LOBBY A CHANCE.

This course was taken by Mr. WHEELER, who submitted a written proposition to the effect that the bill be recommitted, with liberty so to amend as to provide that within one month from the passage of the bill the President shall appoint three commissioners, who shall be authorized, at the expense of the Pacific Railroad Company, to hear the proofs and allegations of all parties interested in the subject-matter of this bill, and shall, within three months after their appointment, award such sum for the use of said one-half of said island granted in this bill as in their judgment be deemed just and equitable, which said award shall be paid by the Central Pacific Railroad Company before it shall avail itself of this grant. Immediately after the vote was taken to recommit, Mr. WHEELER entered a motion to reconsider, but did not press it at that time.

On April 22d Mr. WHEELER called up the motion to reconsider, and proposed a substitute for the bill, which was read; the substitute makes the premises liable to taxation, as is every like property, under the laws of California, and includes the provisions for the three commissioners, and that the Government may take possession of the whole island in time of war, or anticipated war, and that the track shall be placed on piers not less than thirty feet span. Mr. Sargent, of California, obtained the floor, by the courtesy of Mr. WHEELER, and advocated the bill. After a running debate the main question on the motion to reconsider was orderered, yeas, 100; nays, 72. Mr. Holman, of Indiana, as a test, moved to lay the motion to reconsider on the table, which was rejected; yeas, 73; nays, 99: the vote to reconsider was then taken and resulted in the affirmative, whereupon Mr. WHEELER withdrew his motion to recommit and offered his substitute.

MR. HOLMAN WANTS THE COMPANY TO PAY UP.

After a long debate Mr. Holman, of Indiana, offered an amendment that the Act should not take effect until the Central Pacific Railroad shall have paid into the Treasury the sums paid by the United States as interest upon bonds issued by the United States for the benefit of said company. Mr. WHEELER declined to admit this amendment. He also declined to admit an amendment proposed by Mr. Randall, of Pennsylvania, that the award of the Commissioners be submitted to Congress for ratification. Several other propositions to amend the subsidy were refused by Mr. WHEELER, and the House took a recess in accordance with a previous order. On April 24th, the bill came up again. Mr. WHEELER refused to allow any amendment, whereupon Mr. Killinger moved to lay the bill on the table, which was rejected by a vote of 79 yeas to 96 nays, and the main question was ordered, yeas 100, nays 80. Mr. Beatty then moved to adjourn, which was disagreed to, yeas 39, nays 140. Mr. WHEELER then consented to allow a vote on the two amendments offered by Mr. Holman, in consideration of the assurance that if a vote was allowed upon them there would be no further dilatory motions. The amendment to the original bill, requiring the company to pay $50,000 annually into the Treasury of the United States was rejected, yeas 84, nays 94. Mr. Holman's first amendment to the substitute requiring the Commissioners to make an award of not less than $50,000, to be paid annually, was rejected, yeas 86,

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nays 93. The second amendment requiring the payment of the interest on the bonds of the Railroad Company then due, amounting to $5,089,212, prior to availing themselves of the grant, was rejected, yeas 79, nays 92. The substitute was agreed to and the bill passed, yeas 101, nays 86. [*See Cong. Globe, 2d Session 42d Congress, pp.* 1092 *to* 2736.]

THE JOB IN THE SENATE, AND HOW IT WAS FINALLY BEATEN.

On April 26th, the bill was received in the Senate and read a first time. Mr. Cole, of California, objected to the second reading, and it went over. On May 9th the bill was called up by Mr. Stewart, of Nevada, and read a second time. Mr. Stewart moved its reference to the Committee on Pacific Railroads, and Mr. Cole, of California, moved to substitute Military Affairs. Pending the action the morning hour expired and the bill went over, and was not taken up again during the session. On January 6th, at the third session of the Forty-second Congress, the bill was referred to the Military Committee. On February 17th it was reported from the Military Committee by Mr. Logan, without recommendation, and placed on the calendar, and nothing further was done with it.

It was during the third session of the 42nd Congress that the famous Credit Mobilier exposure was made, and the Republican majority frightened, demoralized, with all its old leaders being investigated and found connected with that great fraud, Mr. Randall of Pennsylvania, offered a resolution re-calling from the Senate the bill passed at the second session granting Yerba Buena Island to the Central Pacific Railroad, and under a suspension of the rules passed the same. Thus the final death blow to this enormous job was given by the present leader of the Democratic House of Representatives.

WHEELER'S BOWELS NEVER YEARN FOR THE POOR SETTLERS.

On June 22nd, 1870, House resolution No. 86., with Senate amendments suspending the sale of certain lands in California granted to the Southern Pacific Railroad, was taken up from the Speaker's table. Mr. Julian of the Committee on Public lands wanted it referred to his committee, but the Speaker said it belonged to the committee on Pacific Railroads. Mr. WHEELER said that the committee on Pacific Railroads had already considered a bill identical in all respects with the one as amended by the Senate, and was in favor of the passage of this one. Mr. Julian said that the resolution as it passed the House originally, protected the rights of a large body of settlers in California, but as it came back from the Senate it disregarded the rights of those settlers, and he wanted it referred to the Committee on Public Lands. Mr. WHEELER declared that it did not interfere with the rights of settlers, and insisted upon the passage of the bill and called the previous question, and put it through by a vote of 94 yeas and 72 nays. This was another California job in which Mr. Sargent and the Central Pacific Railroad ring of that State were interested. [*See Cong. Globe, Vol.* 79, *p.* 4701.]

WANTS TO GAG THE MINORITY.

On January 31st, third session, 41st Congress, Mr. WHEELER wanted the House to adopt a gag rule, and submitted an amendment to the Rules of the House that provided that, "after the previous question is moved, no motion shall be entertained except to adjourn, to fix the day on which the House will adjourn, and to lay on the table, and the said motion shall not be repeated and after the previous question is seconded, no original motion whatever shall be entertained except a single motion to adjourn." This was referred to the committee on rules, but no further action was taken on it. This was the origin of the great effort that was made at the last session of the 43d Congress to adopt a gag rule in order to put through, under its operations, the infamous force bill which would have placed all the Southern States under the control of Federal bayonets. Finally, after a desperate struggle, in which Mr. Randall succeeded by dilatory motions in delaying action, the gag rule was adopted, but the end of the session was so near at hand that he was enabled by adroit parliamentary maneuvers to delay the final vote on the force bill until Mr. Blaine and Mr. Poland and others who were interested in railroad jobs in Arkansas, which would have been injured had the Republican majority, at the dictation of Grant, succeeded in forcing through this infamous measure, rallied enough Republican votes to enable the Democrats to defeat it.

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TOM SCOTT'S GREAT JOB.

On February 13th, 1871, third session, 41st Congress, Mr. WHEELER introduced proposed amendments to senate bill 647, to incorporate the Texas Pacific Railroad, which was ordered to be printed and referred to the committee on Pacific Railroads. February 16th he gave notice that he would call up the Southern Pacific Railroad bill on the next Tuesday. February 21st Mr. WHEELER reported a substitute for the Senate bill, which was read,

There had been a struggle going on for years between three different parties who were anxious to acquire from Congress a charter for the Southern Pacific Railroad Company. The old Memphis and El Paso Company of which Gen. John C. Fremont was the head, had, after expending a corruption fund of $11,000,000 composed mainly of various securities of that Company, failed to secure a charter from Congress. Nevertheless Mr. Fremont went to France, where he sold about $4,000,000 of bonds of the Memphis and El Paso, representing in the prospectuses and advertisements published in the Paris newspapers that the company was chartered by Congress, and moreover, that the bonds were guaranteed by the United States Government. This great fraud had been, previous to February, 1871, discovered by John A. C. Gray of New York City, a scheming, unscrupulous man, who wanted to get possession of the valuable franchises and land grants which the Memphis and El Paso Company had obtained from the State of Texas. Gray had, by various devices, procured, by the assistance and connivance of Mr. Juslice Bradley of the Supreme Court of the United States, a decree of bankruptcy against the Memphis and El Paso Company, and had been made the receiver of it. He thus came in possession of between eight hundred thousand and one million dollars in gold, and other property belonging to the Memphis and El Paso Co., and had been intriguing, along with Marshall O. Roberts, to get a charter from Congress for a new company known as the Southern Transcontinental, which was to have the right to purchase the franchise and land grants of the Memphis and El Paso. Looking forward to the consummation of this desire, he had procured by various fraudulent devices foreclosures on the franchises, land grants, etc., of the old Memphis and El Paso, and had the same sold and bought in by his agents. To attempt to unravel and tell in detail the story of this conspiracy and innumerable illegal devices which were employed to consummate it would require a greater space than we can afford in this document.

THE VULTURES GATHER ABOUT THE CARCASS.

However, it is sufficient to say that Tom Scott, and other capitalists, had also a scheme to obtain a charter for that company, to be known as the Texas Pacific, which was also to have the right to acquire by purchase, or otherwise, the property and franchise of the old Memphis and El Paso. Associated along with Scott, was William Pitt Kellogg, the present usurping Governor of Louisiana, and a whole raft of carpet-bag Senators and Members of the House. The New York parties had introduced in the Senate a bill incorporating the Southern Transcontinental Railway company, granting the right of way, and lands, in aid of its construction. The corporators were John C. Fremont, John A. C. Gray, E. L. Fancher, Marshall O. Roberts, William M. Vermilye, W. C. Sheldon, Charles F. Livermore. Charles G. Miller, Charles Gould, Edmond E. Randolph, Henry D. Cook, William S. Huntington, Morton C. Hunter, Thomas A. Morris, August H. Whitney, John A. Goodwin, Powell Clayton, Sam. Tait, R. C. Brinkley, J. B. Chaves, J. J. Hinds, O. H. Bynum, J. C. Goodloe, S. W. Morton, Markus L. Ward, R. M. Bishop, and George B. Upton. The majority of these gentlemen named were the friends and representatives of Gray and Roberts. In the House of Representatives, Fremont was very strong, and in the Senate he had many warm personal friends. This bill provided in the 6th section the authority to purchase the rights, franchise, land grants and stock of the Memphis and El Paso and Pacific Railroad Company, which was to form a portion of the railroad line under new auspices to the Pacific. There were other parties, however, on the ground watching with eager interest the movements of Fremont, and patiently awaiting an opportunity to slip in and cut him out by themselves, obtaining a charter with right of way and land grant for another company to build a road along the 32d parallel. These parties were Thomas A. Scott, and the capitalists, who were then combining to gobble up all the important Southern railroads, and form a continuous line of railway from Baltimore via Washington and Richmond, and thence to various points in the South and West. It was the same

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combination which afterwards became the Southern Security Company, and which now manages in the interest of the Pennsylvania monopoly more than fifteen hundred miles of Southern railway.

THE STRUGGLE IN THE SENATE.

On the 9th of March, Kellogg of Louisiana, who together with the entire carpet-bag ring in that state had become allies of Scott, introduced a bill in the Senate to incorporate the Texas and Southern Pacific Company. In introducing it, he said, that the bill conformed substantially with the suggestions contained in the report made by the Louisville Commercial Convention in regard to the proposed route to the Pacific, and also the suggestions contained in the reports of several commercial conventions held in the Mississippi Valley during the previous summer. These conventions had all been worked up, managed and controlled in the interest of the Memphis, El Paso and Pacific, by the agents of Fremont, and were intended to mould public opinion in favor of his enterprise. It is not strange, therefore, that he should be alarmed when he saw his own thunder being appropriated by his enemies, and realized the imminence of the danger which threatened to blast all his fond hopes and perhaps leave him a ruined and dishonored man.

THE PACIFIC COAST RING ALSO.

The Pacific Railroad Committee in the Senate was always adverse, and a faint perception of his previous ill fortunes in that body began to dawn in Fremont's mind. The Pacific Coast ring, under the lead of Emma Mine Stewart, was manœuvering for an alliance with the Scott party whereby the same share of the spoils should be accorded to the Bank of California in the Southern scheme as had formerly been granted in the Union Pacific steal. There was evidently an understanding of some kind between the bands of public plunderers, and unless something was done to disunite them, Fremont and his New York friends would be ruined. Their only hope was to strengthen themselves in the House and make themselves so strong there that they would be able at the proper time to drive a favorable bargain with Scott, who would naturally choose them as allies, if he was finally forced to take anybody into this job. The $800,000 of gold which had been saved out of the proceeds of the bonds sold in France was in Gray's hands, and a part of it was undoubtedly used to secure friends in Congress. Dick Parsons of Cleveland, Ohio, who was associated subsequently with Gen. Garfield in favoring the contract frauds in the District of Columbia, had a contract from the New York party to put their bill through the House of Representatives for $1,000,000 in stock and securities. Parsons was then Marshal of the Supreme Court, and his office was the headquarters of the Fremont, Gray and Roberts lobby. The bill introduced by Kellogg in the Senate was reported back from the Committee on Pacific Railroads of that body, by Senator Howard, amended so as to be in reality a new bill. It contained a section (the 25th), which was put there by the influence of the Pacific Coast Ring, and gave the Bank of California the right to build their road to a point on the Colorado River and thence westward along the 32d parallel, but when the test vote came on retaining this, it was stricken out, very much to the surprise of that combination. The cause of this unexpected turn in affairs was made plain shortly afterwards when Nye of Nevada moved an amendment which substituted for the corporators originally named in the bill over one hundred others, nearly one-half of whom, with Fremont at the head, were identical persons who were put in as corporators to the Southern Transcontinental Railroad Company. This amendment was adopted in the Senate and the bill as amended passed the Senate.

WHEELER FULFILLS HIS PART OF THE BARGAIN.

The bill which Mr. WHEELER reported in the House on February 21st was a compromise bill agreed upon by Fremont, Gray and Roberts with Tom Scott and his party; the corporators named in it were about equally divided between the Fremont-Gray party and Scott's party proper, but there were brought in a number of the Louisiana crowd, who subsequently acted with Scott and gave him sufficient strength to throw the Fremont party overboard when the proper time came. The compromise bill gave the Texas Pacific Railroad Company the right to purchase stock, land grants, franchises and appurtenances, and consolidate on such terms as might be agreed upon between the parties, with any rail-

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road company, or companies, heretofore or may hereafter be chartered by Congressional, State, or Territorial authority. This provided the necessary provision to enable the company to acquire the old Memphis and El Paso, which was subsequently accomplished through Gray, the receiver of the Memphis and El Paso, who, by fraudulent foreclosures, and other infamous illegal proceedings, had got the concern in a shape where he could sell it out. In this proceeding, the right of the French bond-holders, the innocent purchasers of the securities placed upon the French market by Fremont and sold by means of false representations, were not protected, and proceedings are now pending by which the representatives of these bondholders hope to compel the Texas Pacific to secure them in their rights. Mr. WHEELER's bill was put through after allowing one hour only for debate. All amendments were rejected, and the bill was passed—yeas, 135; nays, 70. The Senate non-concurred in these amendments, and ordered a conference, and February 28th, John A. Logan moved to suspend the rules and appoint a committee of conference on the part of the House, to meet that of the Senate. Mr. Randall, of Pennsylvania, objected, because the House bill appropriated but 13,000,000 acres of land, while the Senate bill appropriated 26,000,000. Mr. Logan thought it was an act of courtesy on the part of the House to accord a committee of conference. Mr. Randall asked if the gentleman thought it an act of courtesy to give 13,000,000 acres of additional land? The rules were suspended and a conference ordered, the vote being taken by yeas and nays, and resulted in 139 yeas to 59 nays. The conferees on the part of the Senate were Senators Howard, Kellogg and Flanigan, and on the part of the House, Messrs. Wheeler, Logan and Sherod.

On March 3d, Mr. Wheeler submitted a conference report. This report had been secured by the Senate receding from its disagreement to the amendment of the House, which it agreed to with some trifling amendments. There was also inserted two additional sections, one of which gave the New Orleans, Baton Rouge and Vicksburg Railroad Company, chartered by the State of Louisiana, the right to connect with the Texas Pacific, and grant to it the same number of alternate sections of public lands per mile in the State of Louisiana as were granted to the Texas Pacific in the State of California. This was done in the interest of the Louisiana ring. The report was finally agreed to, yeas 125, nays 64, Randall and Holman opposing by every possible maneuver. The same day the report of the conference was submitted and discussed in the Senate and finally agreed to without division, after a motion to table had been rejected by a vote of 13 ayes to 40 noes.

STILL SERVING HIS MASTERS.

On February 17th, 1872, second session, 42nd Congress, Mr. Wheeler introduced a bill (H. R. No. 1765,) to amend an act to incorporate the Texas Pacific Railroad Company, which was read a first and second time and referred to the Committee on Pacific Railroads, and ordered to be printed. On April 26th, he gave notice that he would, on the following Monday, move to suspend the rules for the purpose of considering Senate bill in relation to the Texas Pacific Railroad. On April 29th, Mr. Wheeler in pursuance of this notice, moved to suspend the rules for the purpose of taking from the speaker's table and bringing before the House Senate bill 724, supplemental to the act entitled an act to incorporate the Texas Pacific Railroad Company, and to aid in the construction of its road, and for other purposes; approved March 2nd, 1871. In lieu of this bill, he had read a bill from the Committee on Pacific Railroads, changing the name and style and title of the Texas and Pacific Railroad Company to the Texas Pacific Railroad Company. The second section authorized it to issue construction and land bonds not exceeding $40,000 per mile, and the mortgages made to secure these bonds should be filed and recorded in the Department of the interior; that American iron and steel should be used in ironing the road; that it should commence its construction at or near Marshall, Texas, and proceed westerly towards Santiago in the State of California on the line authorized by the original act, but requiring it to construct, maintain, and control and operate the road between Marshall, Texas and Shreveport, Louisiana. This bill he wanted considered as a substitute for the Senate bill. Pending action on the motion to suspend the rules, Mr. Holman said: "If this bill is to be open for amendment and reasonable consideration, I have no objection to the gentleman's motion.

"The SPEAKER: The gentleman from Indiana (Mr. Holman) suggests that the bill be open for amendments and consideration."

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There was no division on the motion to suspend the rules and after the amendments reported from the committee were acted upon, Mr. WHEELER demanded the previous question; Mr. Holman proposed an amendment; when Mr. WHEELER would not yield for his amendment Mr. Holman said: "I understood the bill was brought before the House subject to amendment."

"The Speaker: That is for the House to determine."

"Mr. Holman: I submit to the gentleman from New York that unanimous consent was obtained to bring the bill before the House, on the understanding that when it was brought, it would be open to any amendments on which the members might desire the decision of the House."

"Mr. WHEELER: Every amendment which has been proposed by the gentleman from Indiana has been of a tendency to impair the original rights granted to this company, and I cannot consent to yield further to admit such amendments."

"Mr. Holman: Then I raise the question of order, that the bill comes before the House open to amendments; while there is an amendment to be proposed to the bill the previous question cannot be sustained without bad faith."

The speaker declined to rule on the point, the previous question was sustained, and the bill passed without division.

DON'T WANT HIS OLD FRIENDS COMPELLED TO PAY UP.

At the 3rd session of the 42nd Congress, January 14th, 1873, the legislative appropriation bill being under consideration in the House, Mr. Hibbard offered in an amendment, repealing the 9th section of the Army appropriation bill of March 3rd, 1871, and making it the duty of the "Secretary of the Treasury to apply all such sums of money as now are, or shall become due to either of the Pacific Railroad Companies embraced within the provisions of the said section, from the United States, for the transportation of troops, supplies, and materials, or otherwise, to the payment of indebtedness of each Company to the United States for interest paid by theUnited States on bonds issued for the benefit of said Companies."

It must be borne in mind that it was at the third session of the 43d Congress that the Credit Mobilier exposures were made, and with the Republican side of the House demoralized, the Democrats were determined to force through a measure to compel the Pacific Railroads to pay the interest which the Government had already paid on their bonds. With Dawes, Garfield, and the other leaders on the Republican side demoralized by being caught in the Credit Mobilier, there was no person on that side of the House to come to the rescue of the companies but Mr. WHEELER, who promptly proposed an amendment to the amendment above referred to, providing that "the repeal shall not take effect until the Attorney-General shall certify to the Secretary of the Treasury that the Railroad Companies, or either of them created by the act of July 1st, 1862, and July 2nd, 1864, or either of said acts, are liable under said acts, or either of them, to the Government for any amount of interest paid by the Government, upon the bonds issued in aid of such companies, or either of them." Mr. Holman made the point of order that the amendment was not germane, or if germane to the pending amendment, not admissible; that it came under suspension of the rules. This point of order the speaker overruled. After a general debate, the amendment of Mr. WHEELER was rejected by 45 yeas, to 91 nays. On motion of Mr. Donan, that portion of Hibbard's amendment relating to applying money to the payment of interest was stricken out, leaving only a clause repealing the 9th section, and the amendment was agreed to.

On March 1st, Mr. WHEELER called up Senate bill 1425, supplemental to the act to incorporate the Texas Pacific Railroad Company, legalizing the currency bonds of the company, and it was passed without division. On March 3d (9:30 a.m., March 4th) business on the speaker's table being under consideration, Senate bill 1537, supplemental to the act to incorporate the Texas Pacific Railroad Company, was reached. This supplemental act authorized the companies to lease or consolidate with other roads. William R. Roberts of New York objected. Mr. WHEELER sought to have it passed, and on a division the vote was ayes 56, nays 53. No quorum voting, it was laid aside. Mr. WHEELER called the bill up again, and moved to suspend the rules and pass the bill. The vote resulted yeas 89, nays 79. The hammer soon after fell and the 42nd Congress expired before the bill could be engrossed and signed by the Speaker and President of the Senate, and so it failed.

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THE LOUISVILE AND PORTLAND CANAL.

At the beginning of the 43d Congress, William A. Wheeler was made Chairman of the Committee on Commerce, and the only important measure reported by him (April 30th, 1874,) from this Committee was Senate bill No. 350, providing for the payment of the bonds of the Louisville & Portland Canal Co., with an amendment in the nature of a substitute. This substitute provided that the appropriation made by the act of March 3d, 1873, for the payment of the debts of the Louisville & Portland Canal Co., shall be continued and made permanently applicable to the payment of the debts of that Canal Company, and so much as might be necessary should be applied to the payment of the interest as it accrues and the principal of the outstanding bonds as they mature ; it also provided that the Secretary of War should take possession of the canal and of the property, real and personal, belonging to it as the property of the United States, as provided for by the act of the General Assembly of the State of Kentucky approved February 22d, 1844, subject however to the mortgage lien on the property in favor of the trustees, made to secure the bonds which had been issued. The Directors of the Company were to be paid for the stock held by them, being the sum of one hundred dollars to each director (five) with interest at 6 per cent. since the 9th of July, 1864. Notice was to be given to all persons and corporations having debts of any nature against the Canal Company, except the bonded debt, and they were to present them on or before the 1st day of July, 1875. The debts of the Company were to be audited and examined and allowed if they were binding, but no sum of money was to be allowed on account of any claim for either city, or State taxes assessed or hereafter assessed against the Company. The Canal and property thus assumed by the United States Government was to be free of all tolls and charges except such as are necessary to pay the current expenses, and to keep the Canal in repair, and the tolls for the next year ensuing after the passage of the act shall be 10 cents per ton capacity on vessels propelled by steam, and 5 cents per ton on other vessels, and provided, that the rates were to be fixed in accordance with the estimates of the expenses from year to year.

WHEELER'S ATTEMPT TO DEFEAT THIS GREAT MEASURE.

Mr. Wheeler said, "As an individual member of the Committee, I offer the following as an amendment—to be regarded as pending—to the substitute, adding to section first the following : 'Provided, further, that said Secretary shall pay no money under any of the provisions of this Act, nor shall the Secretary of War take possession of said canal, as authorized by the next section, until the State of Kentucky shall cede to the United States jurisdiction over the said canal, with all its property, hereditaments and appurtenances, and relinquish to the United States the right to tax, or in any way to assess said canal, its property, hereditaments and appurtenances, or the property of the United States that may be thereon during the time that the United States shall remain the owner thereof.'"

Mr. Wheeler then yielded the floor to Mr. Holman, of Indiana, who yielded ten minutes to Mr. Banning, of Ohio. Mr. Banning sent to the desk, to be read, resolutions of the Board of Trade of Cincinnati, which were passed March 28th, 1874. These resolutions represented to Congress that the failure of the Secretary of the Treasury to put in operation the Act of March 3d, 1873, and assume on behalf of the United States the control and management of the Louisville and Portland Canal Company, have been oppressive to the commerce of the Ohio River, because the onerous tolls imposed by the Canal Company were continued, and the merchants of Cincinnati earnestly appeal to Congress to see that this act of justice was rendered to the commerce of the Ohio River, by appropriate and immediate legislation.

THE HISTORY OF THE CANAL.

Mr. Banning gave the history of the Louisville and Portland Canal Company, which was incorporated in 1825. The original stock was $600,000, divided into shares of $100 each, the United States subscribing for 1,000 shares at a cost of $100,000. The stock was afterward increased to $1,000,000, divided into shares of $100 each, by authority of an Act of Congress and the Legislature of Kentucky. The dividends belonging to the United States were applied to the purchase of shares of private individuals. By these means the United States became, in 1855, the owner of all the canal stock except five shares, which were retained by the five directors of the company, at the request of the

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Secretary of the Treasury, until provision was made by Congress for taking possession of the canal. In 1869, the directors of the company made a loan of $1,600,000 for the enlargement of the canal and locks. This amount was not sufficient to finish the work. Congress then appropriated the amount of money necessary, and under the charge of General Weitzel of the Engineer Corps of the Army, the improvement was completed. General Weitzel, in his report, stated that from 1831 to 1872 the total amount of tolls collected by the Canal Company was $5,157,247. If the general government assumed the indebtedness of the canal, and provided the money to complete all the improvements necessary, General Weitzel said, it would cost the United States barely one-half of the enormous sum which had already been received as tolls, and the oppressive burden to the commerce of the great Ohio Valley would be removed. He said the real estate alone was worth at least the amount which the Government was asked to pay for the canal. He estimated the tolls, if they were continued at the rate then established, at fifty cents per ton, would amount to $350,000 a year, which would be much more than was necessary to operate the canal. He estimated that $50,000 a year would be ample, and seven cents a ton would provide more than that amount.

WHEELER'S AMENDMENT ONLY A PRETEXT.

Mr. Banning argued that there was nothing in the claim, which was set up by parties anxious to defeat the measure; that the City of Louisville had attempted to levy and collect taxes on this property. He said it was true the City of Louisville has asserted the right to tax the canal property, and had brought suit to recover back taxes, but he was advised that since the bill had passed the Senate the authorities of the City of Louisville had dismissed the suit. He said that the property belonged to the Government of the United States, except five shares of $100 each, and nobody would assert that a State had a right to levy a tax upon property belonging to the General Government. He said, "Surely, Mr. Speaker, there is nothing in this whatever worthy of argument or deserving the consideration of the House." He called attention to the Act of January 1st, 1842, passed by the General Assembly of Kentucky, which provided "that in the event of the United States becoming the sole owner of the Louisville and Portland Canal Company, the jurisdiction of this commonwealth over said canal shall be yielded up to the Government of the United States." And also the Act of March 28th, 1872, by which the Legislature of Kentucky provided for the transfer of the property to the United States Government.

WHAT THE GREAT OHIO VALLEY CONTRIBUTES.

Mr. Standiford, of Kentucky, in advocating the substitute reported from the Committee on Commerce, said: "The territorial interest directly in the navigation of this river, embracing an area containing more than 300,000 square miles, and several thousand miles of river navigation, and fully one-fourth of the population of the United States, is, I believe, richer in all that provides for the wants of man than any other country in the civilized world; with its genial, healthful climate, its varied productions, diversified in its great agricultural and mineral wealth—Pennsylvania, with her inexhaustible fields of coal, iron, and oil; Ohio and West Virginia, with lumber, salt, oil, coal, grain, and hay; Illinois and Indiana, with their golden fields of corn, oats, wheat, and barley; Kentucky, Missouri and Tennessee, with hemp, tobacco, grain, and iron; and with all these States producing fine horses, cattle and hogs in surplus quantities sufficient to supply Germany, Ireland, France, and England with food; and the Southern States, with cotton, sugar, rice, and the tropical fruits, with ample capacity to contain a population equal to Europe. Well may the Ohio Valley be called the land of milk and honey. * * * I know that if careful examination be made, it will be found that the portion of the country interested in the navigation of this river pays fully two-thirds of the internal revenue of the country. My own State alone paid nearly $5,500,000 last year, which exceeds the annual internal revenue tax of the States of Massachusetts, Maine, New Hampshire, and Vermont combined, by more than $200,000. And just here I wish to say that, while legislation has been conducted in the interest of an equal reduction of taxation, the members have deluded themselves into the belief that great advancement has been made in that direction. A few facts will show how such legislation

HAS AFFECTED THE EAST AND WEST RESPECTIVELY.

By the last act which came to be a law, Massachusetts was relieved from taxa-

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tion about 50 per cent., or more than $2,500,000, while the effect was to increase the burden upon the people of the Ohio Valley; as, for instance, in 1872 Illinois paid $15,799,000, and in 1873 she paid $16,500,000; Indiana paid, in 1872, nearly $5,500,000, and in 1873, $5,678,000, showing an increase in these States; Virginia's tax was increased more than $3,000,000, while Ohio, which pays one-seventh of the internal revenue of the nation, was relieved by this bill only $50,000. Sir, all this kind of legislation has been in favor of the East against the West; and now, when we come to ask so small a favor as this, we are met by opposition from gentlemen whose debts and taxes we have been so long furnishing money to pay. Why, the fact of the matter is, that the States bordering upon this river—I mean Ohio, Kentucky, Indiana, and Illinois, to say nothing of Pennsylvania and West Virginia—

PAY ANNUALLY OVER $42,000,000

out of the $106,000,000 internal revenue tax collected in the country. We know that the Government has lent its credit to the enormous sum of $64,000,000, and given millions of acres of land to capitalists to extend the iron horse to the Pacific coast, containing a population of less than one million. Upon this debt the Ohio Valley has been paying the interest, which now exceeds $20,000,000, in the proportion, as I have just shown, of 42 to 106 or $\frac{21}{53}$ of the whole amount. While we agree that we have been benefited by this great national outlay, the East has received treble benefits and we have paid the expense of the improvement. * * * The tax on the commerce of the Ohio river, by reason of the tolls exacted by the United States, amounts to a prohibition of trade, as smaller classes of boats built for navigating the tributaries of the Ohio cannot afford to pay tax upon their freights and tonnage in passing through this canal."

In regard to the claim of Louisville to tax the canal property, Mr. Standiford quoted a letter from the city attorney, in which he stated that: "since the suit had been brought, it had been found that the amended charter of the city prohibited the imposition of the tax upon the canal property, and that accordingly the suit has been discontinued."

THE SUPREME COURT AGAINST MR. WHEELER.

Mr. Sayler, of Ohio, in discussing the bill, said: "That the amendment proposed by Mr. Wheeler would have the effect, if adopted, to postpone for two years the assumption of the canal property by the United States Government, because the Legislature of Kentucky was not in session, and would not be in session for two years, and therefore the legislation which Mr. Wheeler insisted should be enacted before the United States took possession of the canal, could not be enacted for two years to come, and, in the meantime, the oppressive burden to which the commerce of the Ohio River was subject, would continue." Mr. Sayler also showed that the State of Kentucky had as fully and completely ceded to the United States entire control over this property as it was possible to be done in any words. He argued that the Government of the United States had a vested right, and that under the legislation of Kentucky in 1844, the property was completely ceded to the United States; he showed that the Government of the United States did not assume possession and control of the work in 1855, because James Guthrie, then Secretary of the Treasury, of his own motion, asked that five shares might be retained, one by each of five individuals, in order that they might formally perpetuate its corporation for the benefit of the United States, and until the United States saw fit in some proper form to take possession of it, and the necessary arrangements had been made to do that. He contended from that time these five men simply became trustees, holding for the benefit of the United States; that they were the depositaries of a naked trust.

THREE REPUBLICANS AGAINST MR. WHEELER.

Mr. Stannard, republican, from Missouri, and member of the Committee on Commerce, also advocated the substitute reported by that Committee, and opposed the amendment of Mr. Wheeler.

Mr. Negley, republican, of Pennsylvania, also supported the substitute; he said: "I would appeal to the gentleman from New York (Mr. Wheeler), Chairman of the Committee on Commerce, to the representatives of the cities of Boston, Buffalo, New Orleans, Charleston, and the Lakes, whether in view of the liberal

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expenditures of the Government to improve those narbors, they would tolerate an assessment upon commerce carried in and out of the harbors of their own cities to refund to the Government those expenditures? I anticipate the answer, that they would not. I also appeal to the gentleman who speaks so earnestly on this floor in favor of our internal commerce, and in favor of the material interests of the country, to favor the passage of this bill without restriction."

Mr. Coburn, republican, of Indiana, also advocated the passage of the bill without the amendment to the bill proposed by Mr. Wheeler; he said: "This canal is already made; the money of the Government has been expended for it; the property is there; it is in the public use; it is not a case where the Government is about to construct a Custom House or Post Office, and makes it a condition precedent that the jurisdiction yielded shall be yielded to it before the work is done. The thing is accomplished—the work is done. The canal is being used; there is no reason now for attaching the condition, which at the most will be useless and inoperative, because nothing can attach to this condition, and nothing can be the consequence of imposing the condition if attached; all that was intended to be done has been done without the condition. It is too late to talk about conditions now."

Mr. Woodford, of New York, made the following pithy speech: "Mr. Speaker, educated to believe that ours is one great nation, that all that makes for the true welfare of any part makes for the true welfare of the whole, I believe that these internal rivers should be improved precisely as the mouth of the Mississippi has been cared for, and as the commerce on the coast has been protected. I shall not weary the House by prolonged remarks; let me simply suggest that I believe that the great State of New York, with its far-reaching commercial interests, heartily favors everything that will develop the internal commerce of the country precisely as it favors that which develops the external commerce of the country. We shall gladly do all in our power to make these great navigable rivers free, sufficient highways of the commercial future."

JUDGE HOLMAN'S CONCLUSIVE ARGUMENT.

Mr. Holman, of Indiana, closed the debate in favor of the passage of the bill so amended. He called attention to the fact that the United States already owned 9,995 of the 10,000 shares of the canal stock and that it had done so ever since 1855; the question was whether the Government should take charge of its own property and apply it according to its original purpose as a free channel of commerce, or whether this important public work shall remain in the hands of the irresponsible parties, irresponsible to the Government now considering it. He also quoted from the decision of the Supreme Court of the United States, which in deciding a case in 1872, affecting the interests of the United States in this property, said: "The United States is the only stockholder of this corporation; the directors have really no personal interests in the corporation or its property; they are to all purposes what equity calls trustees, without an interest, the depositaries of a naked trust." He also showed that the act of 1873, which appropriated money to enable the Government to become the purchasers of the five shares of stock held by the directors of the company, and to assume the indebtedness of the same, would not be required immediately, but would be paid out in installments covering twelve years. He called attention to the fact that Kentucky had not up to that time indicated any want of good faith.

WHAT THE COUNTRY HAD A RIGHT TO APPREHEND,

he said, was that "these five gentlemen, who, without any authority from the United States, are using your revenues derived from taxation of your commerce, to the amount of $350,000 a year, and fix their own salaries and dispose of this money as they may think proper, might not be as careful of your interest and the interest of the Government as your own officers might be, and as Congress should be. They may act fairly, but you have no guarantee of that beyond the personal character of these gentlemen, and yet the amendment of the gentleman from New York proposes to perpetuate that anomalous state of things for the next two years."

WHEELER CARRIES HIS MEASURE.

On March 31st, Mr. Wheeler consumed an hour in opposing the substitute reported by the Committee on Commerce, and in urging the adoption of

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his amendment. His argument was disingenuous and unworthy a statesman. He fought persistently, point by point, for his amendment, and rallied to its support nearly the entire Republican strength from the Eastern States, and carried it by a vote of 130 yeas to 95 nays. The substitute reported from the Committee thus amended was adopted and the bill was passed.

IN THE SENATE.

Senate bill 350, which was, as above stated, passed in an amended form by the House, had been introduced in the Senate on January 20th, 1874, and partially read a second time, when, upon motion of Mr. Edmunds, further reading was dispensed with and the bill was referred to the Committee on Finance and ordered to be printed with accompanying papers. On January 23d, it was reported from the Committee on Finance by Senator Sherman, with two amendments. Mr. Sherman asked to have the bill read, but Mr. Edmunds objected, and it went over until the afternoon of the same day, when Mr. Sherman called it up, and it was considered and passed without division. The bill, with the amendments suggested by the Committee on Finance of the Senate, as passed and sent to the House, was practically the same bill as the substitute reported from the Committee on Commerce of the House, save that the House bill provided greater security for the Government of the United States, and guarded against the assumption by the United States of any other than the just indebtedness of the Canal Company.

THE SENATE THROWS OUT WHEELER'S BILL.

When the bill as amended by the House came back to the Senate, it was referred to the Committee on Finance, whence it was reported back to the Senate, on April 17th, with recommendation to strike out the Wheeler amendment and insert the following: "That if at any time it becomes necessary to enforce the lien mortgage upon the said Canal property for the benefit of the bondholders, it shall be lawful for the trustees named in said mortgages, or any other trustees who may be appointed in pursuance of the laws of Kentucky, to commence proceedings thereon, in any court having jurisdiction thereof, with notice to the United States as *terre tenant proforma* and serve process upon any of the officers of the United States who shall have superintendence of said Canal, whose duty it shall be to notify the United States of such service, whereupon the said Attorney-General shall enter an appearance in said case, and take all necessary steps to defend the interest of the United States in such proceedings, so that the same may be conducted in the same manner and with the like effect as if the said Louisville and Portland Canal Company were still in existence."

WHO STOOD BY WHEELER?

Senator Scott, of Pennsylvania, supported this amendment, as did Senator Stevenson, of Kentucky, and Mr. Thurman, of Ohio. Senator Howard, of Wisconsin, opposed it. It was adopted finally, yeas, 33; nays, 8. The question then recurred on the amendment of the House of Representatives as amended, whereupon Senator Edmunds, of Vermont, Conkling, of New York, and Howard, of Wisconsin, did their best to defeat the bill. It went over until April 21st, when Senator Scott again called it up. In the meantime, Conkling, Edmunds and Howard rallied to their side Carpenter, of Wisconsin, and a long debate ensued. Conkling contended most strenuously for the Wheeler amendment put on by the House, but on a final vote to strike out the Wheeler amendment and substitute the one proposed by Senator Scott, from the Committee on Finance, as above given, the vote was, yeas, 40; nays, 4. Those voting in the negative—practically for Wheeler's amendment—were Messrs. Conkling, Edmunds, Frelinghuysen and Hamilton, of Texas.

BACK IN THE HOUSE.

The bill, with the amendment of the Senate to the amendment of the House, came up in the House on April 30th, and Mr. Wheeler moved that it be referred to the Committee on Commerce, and allowed an hour for debate against the reference, to be portioned out by Mr. Holman, of Indiana. In concluding a very able argument in favor of the passage of the bill as amended by the Senate, Mr. Arthur, of Kentucky, said: "Throughout a period of now more than thirty years, the legislation of Kentucky has been all that the Government required. For now

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nearly twenty years, one-fifth of a century, this public work has been a standing tender to the Government. Throughout both periods has gone on with unrelenting obduracy the drain upon every pore of the commercial West. Appeal after appeal to this body has been made, from year to year, and action as often deferred without any apparent cause other than

UNREASONING PROCRASTINATION.

"Petitions, memorials and deputations from all over the valley of the West have, session after session, for a quarter of a century, poured in upon and besieged the Legislature of the Union, and although beguiled by every promise of relief, still it has not yet come. The records and proceedings of this House, and the chamber at the other end of the Capitol, are loaded with petitions, proofs and letters of Heads of Departments, reports of engineers, correspondents, reports, resolutions and bills, all recognizing the propriety and sound policy of this bill; and in the meantime agents have risen and fallen, and now for the first time the heroic navigators and oppressed commerce of the great island seas of the West are to be postponed to a pigmy in the form of a technicality, and such are

THE WHIPS AND SCORNS OF TIME,

the oppressors' wrong and the proud man's contumely. Let technicality, if there be such now, wait, let commerce now advance, let us be wise with speed, and just without delay. Every consideration which ought to weigh with this Congress demands the passage of the pending bill in the form in which it comes from the Senate to the House."

Mr. Lawrence of Ohio also supported the bill as amendment by the Senate, and so did Mr. Garfield and Mr. Foster of that State.

WHEELER FIGHTS HARD, BUT IS BEATEN.

Mr. Wheeler occupied an hour in closing the debate on his motion, and made a characteristic speech, but on his motion to substitute his original amendment slightly modified for the Senate amendment. The yeas were 73, the nays 143, and then the Senate amendment was concurred in, and the bill passed.

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LOUISIANA.

THE FORM OF GOVERNMENT THE REPUBLICAN PARTY GUARANTEES TO THE SOUTHERN STATES.

These pages present a brief and truthful history of a typical carpet-bag government of the South:

1. It will be shown how the carpet-baggers of Louisiana were protected, assisted and sustained by the strong arm of the United States Army, in all their crimes and usurpations.

2. It will be shown how, for two years, the Federal officials under the United States Marshal and the Collector of the Port, who was the brother-in-law of President Grant, and the State officials under the leadership of Governor Warmoth, combined and conspired to rob the people of Louisiana, not only of their property to the amount of thirty millions of dollars, but of their liberties, by the passage of laws which legalized frauds at elections, and annulled the will of the people as expressed through the ballot-box.

3. It will be shown how this same combination of Federal and State officials fastened corrupt Legislatures and corrupt Judges upon the people in order to carry out their schemes of plunder with safety and impunity.

4. It will be shown how these Federal and State officials subsequently quarrelled over the spoils, and scandalized the country by the disgraceful scenes that attended each quarrel.

5. It will be shown, how at the election of 1872, Mr. John McEnnery was elected Governor of the State and so declared by the Executive of Louisiana, in an order promulgating the result, and how a drunken and corrupt Judge of the United States Circuit Court issued an order at midnight, out of court, and at his lodgings, by which the United States Army took possession of the State Capitol and held it for six weeks with a view of overawing the people and showing them that the usurpers had the support of the General Government.

6. It will be shown how by other orders from the same drunken and corrupt Judge the legal State Government of Louisiana was overthrown and the usurper Kellogg enthroned.

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7. It will be shown how the Administration at Washington were cognizant of the scheme of the conspirators before it was carried into execution, and sent troops to New Orleans in anticipation of the outrage.

8. It will be shown how the Federal Government has persistently used the army, not in the interest of a suffering and oppressed people, but to protect and bolster up the marauders and plunderers.

8. It will be shown how the United States Army again took possession of the legislative halls of Louisiana in 1874, and removed by force from the House of Representatives certain members who were opposed to the Kellogg usurpation.

9. It will be shown how President Grant and his administration APPROVED of General Sheridan's *banditti dispatch*, wherein that officer asked that Congress, or the President, should declare all those opposed to Kellogg's despotic and corrupt government as *banditti*, in order that he might try them by drumhead court martial, and exterminate them.

10. And, lastly, it will be shown how JAMES F. CASEY, Collector of the Port of New Orleans, and PRESIDENT GRANT'S BROTHER-IN-LAW, has turned that Custom House into a corrupt political machine, defrauding the Government of thousands of dollars by means of fraudulent pay rolls, and by other numerous venal practices, to which he has not dared to interpose a defence, but, on the contrary, feigned sickness in order to escape from testifying before a Congressional Committee and undergoing a cross-examination.

These are the outlines of the subjoined sketch. Just at this period, when the cry of the "Bloody Shirt" is being shouted by those who, to subserve base partisan ends, would forever foment and keep alive the memories of a deplorable civil war that ended eleven years ago, and when these same demagogues are busily circulating all manner of false charges against the Southern people, accusing them of disloyalty and of carrying elections by violence, intimidation and fraud, it is high time that TRUTH appeared and silenced the slanderers, and that the people, north, east and west, and everywhere, knew who are the wronged and who are the oppressed.

PART FIRST.

FROM THE INAUGURATION OF GOVERNOR WARMOTH, IN 1868, TO THE QUARREL BETWEEN THE WARMOTH AND CUSTOM HOUSE FACTIONS OF THE CARPET-BAGGERS, IN AUGUST 1871.

The story of the re-admission of LOUISIANA to the sisterhood of States properly begins with the ratification of her present Constitution, an event which occurred at a popular election held on April 17 and 18, 1868. Simultaneously with the adoption of the Constitution, HENRY C. WARMOTH, republican, was elected Governor, and a Legislature, republican in both branches, was chosen. On June 25, 1868, an Act of Congress was passed admitting the State to representation. On June 29, the State Legislature convened and subsequently ratified the Fourteenth Amendment to the Federal Constitution and elected United States Senators. Governor Warmoth was inaugurated on July 13, 1868, and the State government, which, from the capture of New Orleans by the Union troops (May 1, 1862) had been in the hands of the military, was tranferred to the civil authorities.

With the advent of Governor Warmoth's administration began that organized system of plunder and spoliation that continued uninterrupted until the thieves quarreled among themselves, and turned State's evidence against each other. But for the latter fortunate circumstance, there never would have been held up to an astonished world, the full extent of this villainous conspiracy against the liberties, but more particularly against the exchequer, of a people claiming to live under a republican form of government.

Having reached power, the first step of Warmoth and his fellow-adven-

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turers was to adopt such measures as would perpetuate their rule. This could only be accomplished by securing such control over the ballot-box and the election machinery as would enable them to elect or defeat who they pleased, and to overthrow the popular will whenever it was antagonistic to their interests. The enactment of laws, no matter how infamous, was an easy task to these Louisiana carpet-baggers. The Judiciary was ready, the Legislature was eager, and the Executive was clamorous, for plunder. The three coordinate branches of the State Government displayed an aptitude for grand larceny, that finds no precedent in the criminal reports. Such unanimity in favor of robbery, forgery, bribery, perjury and every kind of villainy on the part of the executive, judicial and law-making powers of a government was never witnessed before, and it is to be hoped never will again. The first Legislature of Lousiana after her restoration to the Union was composed of a few characterless white adventurers from the North who acted as leaders of their less intelligent, but emphatically *less dishonest*, colored colleagues. The Democrats were in a very large minority—barely a corporal's guard in each chamber. Both Senate and House were under the undisputed and absolute sway of Governor Warmoth. The Governor was the source of all power; an autocrat, without check save his own will. Whatever bill he favored became a law; whatever bill he opposed suffered defeat. His Excellency was a daily visitor to the floor of both Houses, superintending the work and directing the manœuvres. The passage of bribery laws was studiously neglected, the Legislature having too fond a regard for the interests of its members. The Judiciary were likewise the creatures and tools of the Governor. They were selected for their unscrupulousness and subserviency to the Governor. One of his most obsequious Judges was appointted to preside over the Eighth District Court of New Orleans, otherwise called *the Political Court*, which was vested with exclusive original jurisdiction in all cases of summary process, such as injunctions, mandamuses and the like, wherein the City, or State or corporations were parties, and in all proceedings instituted to try contests for office. The people of Louisiana have never elected a single Judge of a Court of Record since the reconstruction of the State, except one, and he was legislated out of office shortly after he qualified. To citizens of the North who are living peaceably and happily under Constitutional and Republican Governments this deplorable condition of things in Louisiana will doubtless seem incredible. Did not Louisiana have a Constitution? some will ask. Yes, but by its provisions, the intellect, the integrity and the manhood of the State was ostracised and insulted. From this Constitution, and the government organized under it, emanated those disgraceful scenes and events a description of which will be humbly attemted to be portrayed in these pages. It was a Constitution born of malice, conceived in hate and prejudice, and must necessarily, if it lives, be enforced by vengeful power.

GOVERNOR WARMOTH'S ABSOLUTE CONTROL OF THE ELECTION MACHINERY.

Before referring to the specific laws passed under this Constitution in relation to the exercise of the franchise, let it be remembered that by the military and police laws of Louisiana the Governor had, and exerted an amount of authority and power, possessed and exercised by no ruler of any people on earth having fixed laws. His forces were as obedient, as swift and as faithful as any Swiss ever were, and for the same reason, but without the dignity of character that belonged to this mercenary class of soldiers, and, without being content with stipendiary pay, were quartered upon a disfranchised and helpless people, whom they recklessly plundered.

By the provisions of the Registration and Election Laws, all voters were required to register their names in their respective parishes, and to obtain a certificate of registration from the Supervisor of Registry, before the right to vote could be acquired. One Supervisor of Registry for each parish was appointed by the Governor and removed at his pleasure. The concurrence of the Senate was not necessary. The Supervisor was required to have his headquarters at the Court House in each parish, but it was left to his discretion to establish other places for the registration of voters. *The decision of any Supervisor of Registration on all questions relative to the registry of voters was final, and not subject to revision or correction by any Court. The Courts were especially prohibited from interfering, by writ of mandamus, injunction or other legal proceeding, with the Supervisors of Registration or their assistants, and the Judge of any Court so interfering was subjected to a fine of not less than* $500, *and to imprisonment for not less than six months, and was liable to impeachment and removal from office.* Upon the Supervisor of Registra-

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tion, who, as above stated, was the creature of the Governor, devolved the appointment of three Commissioners of Election to every polling-place in each parish, the Supervisor establishing as many polling-places as he saw fit And if, perchance, only one of the three commissioners designated by the Supervisor attended at the polling-place, it was the duty of the attending commissioner to name the second commissioner, and then both commissioners to appoint the third. The Commissioners of Election were empowered to order the arrest of any disorderly persons, and the law expressly directed that persons arrested by order of the commissioners were to be kept in custody until the close of the polls. The commissioners received $5 for every day actually employed in discharging their duties, but it was necessary that their accounts should be approved and countersigned *by the Supervisor and the Governor* before being paid. Immediately after the close of the polls, which were kept open from six in the morning until six at night, the Commissioners of Election sealed the ballot boxes and conveyed them to the office of the Supervisor of Registration, and the latter counted the ballots in the presence of the three Commissioners of Election (whom he had appointed), and the three freeholders. The result was not promulgated, but was reduced to writing and forwarded *to the Governor* in duplicate. The Constitution required the returns to be transmitted to the Secretary of State, but although the spirit of this provision was completely ignored, yet it was virtually complied with, because the Governor forwarded the returns to a Returning Board, of which the Secretary of State was a member, together with the Lieutenant-Governor and two Senators *who were named in the law*, to wit.: John Lynch and J. C. Anderson. The Governor was a member of this Board, of course. The result as declared by these returning officers was *prima facie* evidence of election, until set aside after a contest in the courts presided over by Warmoth's judges. If, however, the Commissioners of Election or the Supervisor of Registration accompanied their returns by a statement that there was either a disturbance, or a riot, or a tumult, or intimidation, or bribery, or corrupt influences, at any polling-place, then the Returning officers were empowered to defer counting the votes cast at that polling-place until the subject was investigated, and if they found the allegation to be true, the vote was rejected. It is hardly necessary to add that good care was taken to surround each polling-place with what the law by courtesy called "suitable persons to attend the Commissioners of Election and obey all legal mandates of such commissioners in keeping order, suppressing disorder, and making all arrests ordered, etc." In other words, that the ready agents of imperious power should, if necessary, and other schemes failed, stuff and cram the ballot-box, and thus defeat the will of the people.

CARPET-BAG OPINIONS OF WARMOTH'S ELECTION LAW.

But lest it might be thought that our strictures upon this vicious election law are exaggerated, and prompted by partisan prejudice and for political purposes, we crave the reader's attentive consideration to the following extracts upon this subject, taken from the testimony adduced before a Republican Congressional Committee, which was sent to New Orleans in January, 1872, and investigated in a very thorough manner the origin and character of the difficulties that occurred in that year.

GEORGE W. CARTER, *Republican*, Speaker of the Louisiana House of Representatives in 1871 and 1872, testified:

"Q. Is it in his (Warmoth's) power to elect or defeat any man who holds an elective office? A. Yes; he controls all the election machinery—the police, the constabulary and the militia. He controls all the forces necessary to carry out his purposes; and through the printing law he can control public opinion, so far as public opinion is affected in the newspapers. Taking them as a code of laws, if you will examine them carefully I think you will say they are marvelous laws."

S. B. PACKARD, *Republican*, U. S. Marshal for Louisiana, and present Republican candidate for Governor of the State, testified:

"Q. Under the power with which you have vested the Governor, cannot he declare any person he chooses elected? A. It would amount nearly to that.

Q. Is he not able to control the Legislature as he pleases? A. I think it was the use of the power derived from the election laws that gave him what amount of strength he has in the Legislature. I think the Legislature would have been

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anti-Warmoth, from its inception to the present time, if it had not been for the men who were injected into it through the operation of those election laws."

GEORGE E. BOVEE, Republican Secretary of State, elected on the same ticket with Governor Warmoth, testified :

"Q. Were you one of the officers who under the laws of the State counted the votes and made the returns of persons elected ? A. As Secretary of State, I was one of the Board of returning officers.

Q. Were these returns always promulgated as returned to you by these officers ? A. The law requires that all statement of votes shall be sent to the Governor, they remain in the Governor's hands until all come in, or until the Governor calls the returning officers together ; then they proceed to examine the statements and compile the returns.

Q. Were these returns opened by the Governor before they were submitted to the five officers whose duty it was to promulgate them ? A. They were all sealed when we commenced the work of compilation. *What had been done with them before I don't know.*

Q. From any information you have had do you believe there was any tampering ? A. Well, take the parish of Ascension: it is well known that the votes of two polls only out seven were returned from that parish. The law requires that the Commissioners of Election shall bring their boxes to the office of the Supervisor of Registration and that they shall be counted in the presence of the commissioners and three citizens. Five of the ballot-boxes of this parish were brought to the Court House, the proper place designated by law, and two were taken to another place designated by the Supervisor ; the two boxes were afterward brought down here to the city of New Orleans and taken to the City Hotel, where they remained a few days and were then carried back to the parish and counted; and upon these two boxes alone the result of the election in that parish was determined.

Q. Do you not believe, from what took place before the Board of Returning Officers, that there were many frauds perpetrated ? A. I have not the slighest doubt of it. I think there was a regular system of fraud entered into with a view of electing certain men."

ONE OF WARMOTH'S JUDGES PRONOUNCES THE ELECTION LAWS OUTRAGEOUS.

HENRY C. DIBBLE, *Republican*, Judge of the Eighth Disrtict Court of New Orleans, testified:

"Q. As a Judge of the State of Louisiana, with a full knowledge of the election laws of the State as administered by the Governor, do you believe it fair and just that he should be a candidate for reëlection ? A. I do not. I believe the present registration laws are infamous in many respects. They allow the most outrageous frauds to be perpetrated."

J. D. MONCURE, Representative in the Legislature, from Shreveport, and a citizen highly respected by both parties, testifies:

"Q. As your registration and election laws stand now, can the Governor elect anybody that he wants to office? A. I am perfectly satisfied of it. I will give you a short illustration. The Registrar is appointed by the Governor and is removable at his pleasure; the Registrar appoints the place of election, and goes where he pleases and opens offices; he appoints all the Commissioners of Election, whose duty it is to receive the votes at each of the various precincts. The Registrar can check and throw out any box he pleases by simply marking opposite it: "There was a disturbance or a riot at this box." For instance, if I got a thousand majority at a particular polling place, and the Registrar were to mark against that return: 'Here there was a riot, or a disturbance,' whether there was or not, that vote might be thrown out, and there is no appeal and no investigation; he is an absolute autocrat.

Q. Is he bound by law to state the reason for o marking the return? A. He is required to do nothing but simply make a memorandum—Riot or Disturbance—and that box may be thrown out if the Governor and Returning Board think it. The Returning Board consists of the Governor, Lieutenant Governor, the Secretary of State—hence the necessity of having the Secretary of State in harmony with the Governor—and two Senators, Messrs. Lynch and Anderson, who are named in the Bill.

Q. Is there no appeal from their decision? A. None.

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Q. Then the election of every officer in the State is absolutely under his conorol? A. Yes, sir."

Mr. J. B. EUSTIS, a prominent lawyer of New Orleans, testified:

"Under these laws what is the power of Governor Warmoth? A. Well, if you ask me what is the limit of his power, it is very difficult to define it. The popular belief is that it is absolute; that is to say, if he controls the Board of Supervisors, and wants to abuse his power. I have told my constituents, that if Governor Warmoth maintains this one-man power in this State, I do not intend to vote or take any part in any election in Louisiana, as I consider it a waste of time.

Q. Is not a popular election a farce under existing laws? A. Yes, sir; a criminal farce in my opinion."

C. B. DARRALL, *Republican*, Congressman from the State of Louisiana, testified as follows:

"Strangers, citizens of New Orleans, and even of Texas, were appointed Registrars in many parishes, with special instructions to elect themselves to the Legislature. *In my parish a man came with instructions, as he said, from Governor Warmoth, to run for the Senate.* This was the case in various other parishes, particularly those of Herville, St. Martins, Iberia and West Baton Rouge, in all which the Supervisors of Registration either elected themselves or the candidates of Governor Warmoth to the Legislature. *They were not voted for by the people*, and returned themselves as elected, though not voted for. In some instances they resigned two or three days before the election, and had other men appointed (as Supervisors of Registration) in their stead, and, when the returns were made out, were returned as elected, although in some of the parishes no one was known to vote for them at all. No tickets bearing their names were seen or known to be in the parish. There are fourteen parishes in my district; of that number, nine had Registrars appointed who had never resided in the parishes; and of these nine, four were returned as members of the Legislature. Three of the other members had not been residents of the parishes they were returned as representing more than a month or two."

It is not necessary to pursue this subject further. Enough testimony has been adduced to prove conclusively that the elections in Louisiana were a sham and a fraud, and legalized as such by the carpet-bag Legislature of the State.

THE GOVERNOR OF LOUISIANA A GREATER DESPOT THAN THE CZAR OF RUSSIA.

The voice of the ballot-box having been thus effectually stifled, and the Legislature having passed the military, police, and other laws which vested in the Governor *a greater authority and more unlimited power than is possessed and exercised by the* CZAR *of Russia*, the attention of the "truly loyal" was then concentrated upon their objective point—the people's money. And, although there was no need of haste, because every prominent official, from his Excellency Gov. Warmoth, downward, was numbered among the band of public robbers, yet, with the insatiable greed and rapacity that characterizes every professional criminal, these Louisiana Republicans *succeeded, in the short space of two years, in filching over* THIRTY MILLIONS OF DOLLARS from the people of that State. The expenses of the General Assembly, which in 1861 were **$175,000,** amounted in 1871 to nearly **$1,000,000.** The tax in the State is **$2** upon every **$100,** and in the city of New Orleans it is **$5** upon every **$100.** Well did JAMES B. EUSTIS, *Esq.*, an eminent lawyer of New Orleans, testify before the Congressional Committee:

"Q. In your opinion, is the present administration of the State Government in the way of the prosperity of the people of Louisiana? A. It is. For instance, if we were threatened with the continuance of the power which has administered this government, the conflagration of Chicago would not be more desolating than the effect of the continuance of this legislation would be upon the City of New Orleans; and the reason of it is this: when the city of Chicago was burned to the ground, the people had at least the land left, and Northern and Eastern capitalists have come there to rebuild it, while with us capital is flying from the State, commerce is decreasing, and everybody who can is trying to get away. What was formerly considered very good security—for instance, mortgage paper—is now of little value, for the reason that, in a few years, at this rate of taxation, you could not sell or pass the mortgage papers, for if you foreclosed you would

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have to take the property at 5, 6, or 7 per cent., which would leave you no revenue.

Q. If things continue then as they have been, it is only a question of time when you will all be bankrupt? A. Only a question of time. I had occasion, some time ago, to examine the question of the returns made of property under the taxation we have in New Orleans, *and I would not to-day take as a donation all the property below Canal street and bind myself to hold it twenty-five years, and pay all the taxes on it, if the taxes now existing are to continue.*"

Governor Warmoth, with a due appreciation of the value of printer's ink, caused, at an early period of his administration, a certain law to be passed which enabled him to subsidize in his interest nearly the entire Press of the State. The *New Orleans Republican*, a newspaper in which his Excellency owned a third interest, alone received $700,000 in two years for publishing public advertisements.

ONE OF WARMOTH'S MANY RASCALITIES.

But of Warmoth's most audacious of his many rascally performances, was his course in what is known as the "Weil Claim." In 1864 a certain Mr. Weil furnished within the confederate lines supplies, for which the State Auditor gave him fifteen certificates of indebtedness, amounting to $150,000. These certificates were presented to his Excellency in 1869, and he was asked whether, if the Legislature passed a law validating them, the same would meet his approval. His Excellency replied that he would consider such a law to be in direct violation of the Constitutional enactment which prohibited the payment of debts of that character, and he would deem it his duty to veto it in the event of its passage. The Legislature subsequently passed an act authorizing Mr. Weil *to sue the State in the Courts* for the amount of his claim, and Governor Warmoth *vetoed the bill.* But in the Auditor's report which appeared afterwards, it was found that Mr. Weil's claim had been funded and that Governor Warmoth was one of the liquidators. It had been allowed by the Funding Commissioners selected by Warmoth himself, and so anxious was he to get the money, that the bill which authorized the adjustment of this and similar claims, was approved by him before the Speaker of the House had signed it; and although the bill became a law on Saturday, the Bonds with which to take up the claims were distributed on the Monday following. The testimony of Governor Warmoth in connection with the funding of these and other certificates, is too interesting and suggestive to be omitted.

"Q. Under that Funding Bill, you funded a large number of certificates for yourself and friends? A. Yes, sir, under the Funding Bill. I was present when there was funded some $300,000 in Bonds.

Q. How long after you approved the Bill did you receive these certificates from our friends, before you funded them? A. Before I received the Bill, I received large amount of warrants from various individuals. I took those warrants amediately to the Citizens' Bank and filed them with Mr. Gaines.

Q. Was that before or after you approved the Bill? A. Before.

Q. At what price did you fund your certificates? A. At seventy-two cents on the dollar.

Q. Was that not 10 cents lower than could have been gotten for them? A. I think not. *I am not sure but that* 10 *cents more could have been gotten.*

Q. Did you not favor the passage of the Funding Bill under which you are one of the liquidators? A. I approved it.

Q. Did you not sign the bill before the Speaker of the House of Representatives signed it? A. I did.

Q. Do you know the amount of the floating debt funded? A. I think there was $290,000.

Q. Were there bonds enough to fund the whole debt? A. No, sir.

Q. Then there was some desire to have a preference? A. Yes, sir.

Q. To get it on the ground floor? A. Yes, sir.

Q. You and your friends got in? A. I got in as many as I could.

Q. Did you hold any for members of the House and Senate? A. Yes, sir, etc.

Q. Do you know that citizens went to the Bank and were unable to get their warrants funded? Yes, sir, etc."

The haste of his Excellency in signing this Bill hardly requires further explanation But his is not the only illustration of the profitableness of Louisiana politics. One of his appointees, "GENERAL" GEORGE A. SHERIDAN, who is now stumping Ohio and other States for Hayes and Wheeler, and is no doubt telling

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the honest yeomanry of the agricultural districts how the Democrats of Louisiana carry the elections by fraud, violence, intimidation and bribery, was Warmoth's favorite tax-collector, and received in fees and commissions alone between $60,000 and $100,000 a year.

PINCHBACK AND OTHERS AS BRIBE TAKERS.

The subjoined extract from the testimony of S. W. SCOTT, Esq., will throw some light on the "dark ways" of the Legislature.

"Q. State whether you are a resident of New Orleans, and how long you have been here? A. I am. I came here with the army, on the staff of General Augur, the latter part of 1862.

Q. Have you any knowledge of any money being paid to any members of the Legislature for the purpose of supporting or defeating Bills? A. I have seen money paid to members of the Legislature by one or two different parties. I was asked, in one instance, to go with a party who told me he had a large amount of money to pay out; as he supposed some members would object to giving him a receipt, he asked me to go along as a witness. I saw him pay money to Mortimer Carr (Speaker of the House) and Mr. Dewees, members of the Legislature. He asked me to go to 180 Canal street, where those gentlemen had their rooms. I went with him and saw the money counted out to them. I did not count the money myself, but the talk between them was loud enough for me to hear it. This was intentional, so that I could be a witness to their having received it, if they ever denied it. They said they did not receive what had been promised them; that it was understood they were to have $1,250 each. The gentleman who went with me said to them that he was short of funds, and that he was only paying a portion of his engagements; that he would pay the balance at some future day. About six or eight months afterward this gentleman came back to New Orleans, came to my office, and told me he had come to settle the balance of his indebtedness; that he had bargains with several gentlemen to carry out. He then counted out seven fifty-dollar notes on my desk, put them into an envelope, and asked me to take them to Mr. Carr, and get his receipt if possible. About a week after that Mr. Carr passed my office and I told him what had been said. He remarked, "All right; I will go into your office and write a receipt." He wrote a receipt and delivered it to me for $350, which I took and sent to the gentleman as I had promised.

Q. For what Bill was that paid? A. For House Bill No. 282, commonly known as the Jackson Railroad Bill.

Q. Who was the gentleman who gave you the money? A. His name is Kimball. I think he is in Philadelphia now, and that he resides there. (He was the agent of Tom Scott and Henry S. McComb, who succeeded, through the legislation he procured, in stealing valuable railroad property and franchises.)

Q. Do you know of any other payments of money, notes, stocks, or any other valuables to members for their votes? A. At the time Mr. Kimball was here lobbying the Jackson Railroad through, he came to me one day, and said that certain members of the Senate had gone back on him, and wanted me to raise $4,000. I did not like to let him have the money. The next day he said that if I would indorse his note for $4,000 he would give me such a document as would compel his principal to pay the money if he did not do it."

PINCHBACK SELLS HIS VOTE.

Afterward Mr. PINCHBACK presented one of those notes, and demanded payment on it. The amount of the note was $1,000. I said to Mr. Pinchback that I had indorsed those notes as an accommodation to a man, not knowing what was going to be done with them; that I had never received any valuable compensation for them, and would not pay his note, as I was satisfied from what I had since learned that it had been given for his vote on the Jackson Railroad Bill; and that if he undertook to collect it I would make an affidavit to that effect and he could not collect.

Q. Name the gentleman? A. I believe Senator Campbell and SENATOR PINCHBACK, and one or two members of the House; I forget who they were. I know the ones whom I did see were PINCHBACK and Campbell. He told me that his principal had gone back on him; that he had raised a portion of the money, and asked me to go and offer PINCHBACK $350 for his note. I told him I did not want anything to do with it. I subsequently did see Mr. PINCHBACK, and made the

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offer. His answer was that he had kept his engagements, and that if Mr. Kimball did not keep his, he would keep the note. That is the last I ever heard of the note. H. S. Kimball is the name of the gentleman for whom I gave it.

Q. How long since you had this conversation with Mr. Pinchback in regard to the note? A. I think a little over a year ago. The Jackson Railroad Bill was passed in the session of 1871."

The witness then testified that Mr. Kimball had informed him that he had paid members of the Legislature nearly $30,000 for voting in favor of subsidizing the Jackson Railroad, but still owed $15,000, and handed to witness a list of members of both houses, with the price of each annexed. The amount set opposite the Senatorial bribe-takers, was $600, with the exception of three or four. SENATORS PINBHBACK and Campbell were down for $2,000. The witness was then asked:

"Q. Did Mr. Kimball say it cost him more to get the bill approved than to get a member to vote for the Bill? A. I don't say that. He stated to me that it cost $80,000 to get it through.

Q. Where did the balance go? A. I didn't ask him. I don't know.

Q. Who got the other $40,000 to get to the Bill passed? A. As I told you, I have not the list of names, and it is sometime ago. I disremember them.

Q. There seems to have been a fair division of $40,000 to members, and the same amount to still other parties; have you any reason to believe who got the balance? A. I heard it was distributed among the members, and to some officers of the Government; *I also heard that Judge Dibble opened his Court about* 10 *o'clock at night to issue an order relieving the injunction, after Hoyle had been bought off, and it costs something to open Courts in the city at that time of night.*

Before dismissing this branch of the subject, we beg to introduce the following extract from the testimony of MR. EUSTIS:

"Q. What is the general opinion as to the character and integrity of the Legislature? A. My own opinion of that body is, that if I wanted to get an article of the code of practice amended, I would have to pay for its passage.

Q. Legislation is bought and sold? A. Bought and sold. I have been told by gentlemen who have seen it, that the corruption of that Legislature is so common and frequent, that they have not even time to write their promises to pay so and so, on the passage of such and such a bill, but have to resort to printing and use printed blanks."

Thus did corruption ooze out from every department of the government. The extracts which have been presented above might be extended indefinitely, but enough has been said, at least on the subject of Executive and Legislative venality. What would be thought if such a state of affairs existed in Massachusetts, or Ohio, or New Hampshire, or Maryland, or New York? And yet this is the Government that the Republican Administration has upheld and defended for eight years. Let it not be forgotten that the PINCHBACK who took the bribe of $1,000 in the manner explained in the testimony of Mr. S. W. SCOTT as given above, is the same individual who recently came so near obtaining a seat in the United States Senate, and to whom, on motion of Senator Morton, the Republican Senators voted $20,000 of the people's money as a recompense for making the attempt to rob the State of Louisiana of a Senator in Congress. Pinchback, although in New Orleans, and Lieutenant-Governor of the State when Mr. Scott accused him, under oath, of bribe-taking, very prudently refrained from asking to be called upon to testify and subject himself to a cross-examination. Hence Mr. Scott's testimony stands unimpeached to this day, and Pinchback, confessedly a corrupt bribe-taker, is still a shining light amoung Louisiana Republicans.

A GOVERNOR DEFIES THE CONSTITUTION AND REMOVES THE SECRETARY OF STATE.

The contempt of Governor Warmoth for the constitution and laws was superbly illustrated in the manner he adopted of getting rid of Mr. Bovee, the Secretary of State. This gentleman had been elected on the same ticket and at the same time with Warmoth. He was a Constitutional officer, and could only be removed from office by impeachment. Mr. Bovee, it seems, was charged under the law with promulgating, through the official journal, the measures that became laws. The laws only become operative when they have been promulgated. Under the Constitution a law that is not returned by the Governor within a specified time, becomes a law by limitation, and it becomes the duty of the Secretary of State to promulgate it as such. There was a bill called the "Crescent City Water Corporation" which was sent to the Governor and not returned within five days. A question of fact was involved. It was delivered at the private residence of Governor War-

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moth on a Saturday night, and his housekeeper, a Mrs. Dean, receipted therefor. The Legislature adjourned on the following Thursday, and as the Governor did not veto or sign the Bill during the interval, Mr. Bovee procured a certified copy of the law, and promulgated it. Warmoth, on hearing this, issued an Executive Order suspending Bovee from office and appointing General Herron as Secretary of State *pro tem*, and to carry the order into effect, he ordered the Chief of Police to accompany General Herron to the office of the Secretary of State and to place him in possession. The Chief of Police, with a small force of policemen, marched to Mr. Bovee's office. Upon arriving there General Herron handed Mr. Bovee Governor Warmoth's order of suspension. Mr. Bovee denied the Governor's right to depose him and refused to be ejected.

"After a few moments," said Mr. Bovee in his testimony, "General Herron went into an adjoining room where the seal of State was kept, and brought it out and put it on the desk, sitting down alongside of it. About ten minutes afterward I attempted to take possession of that seal, as I had the right to do; I was then seized by General Herron, and Captaint Edgeworth ordered his policemen to take charge of me and lock me up. The policemen came forward and took me out of the office to the police station, and I was kept there until Captain Badger came in, when I was released. A charge of assault and battery was made by General Herron; since that time (Aug. 29, 1871,) I have not performed the duties of Secretary of State up to the present day, (Feb. 2, 1872).

WARMOTH'S JUDICIARY TO THE FRONT.

Mr. Bovee brought suit in Warmoth's political court—the Eighth District Court of New Orleans—for the recovery of his office, but, as might have been expected, the suit was decided against him. He appealed to Warmoth's Supreme Court and the latter tribunal dismissed the appeal upon the technical ground that it had not been taken within the ten days allowed by law. Mr. Bovee's counsel had excluded Sunday in counting the ten days, and the Supreme Court, evidently anxious for a pretext to shirk the responsibility of passing upon the case, included Sundays in their count, and thus found an excuse to deny Mr. Bovee any standing in Court.

The removal of Mr. Bovee, upon its face a palpable violation of law, was not on account of his alleged wrongful promulgation of "The Crescent City Water Works Bill," which the Governor it was said opposed because he had been refused an interest therein. That was only a cover for the true cause, which was that Mr. Bovee had pronounced himself, a short time before, a political opponent of the Governor, and as Mr. Bovee, by virtue of his office, was a member of the all-important Returning Board that counted in whoever Warmoth desired, and counted out whoever he ordered, it was of vital consequence to his Excellency that this unfriendly official should be got rid of, by fair means or foul.

In the exercise of his imperial powers, Warmoth also removed, about the same time, the Judge of Sabine Parish, and the District Attorney of the 9th Judicial District; but he was not so successful against these officers as he had been against Mr. Bovee. The Judges of the Appelate Courts, becoming alarmed for the tenure of their own positions, unless they checked his Excellency in his revolutionary course, re-instated both officials and declared their removals illegal and unconstitutional.

BEGINNING OF THE QUARREL AMONG THE PLUNDERERS.

For two years after the "Reconstruction" of the State harmony and unity reigned among the thieving carpet-baggers of Louisiana and their colored allies. The work of plunder and larceny went nobly on. But, when, in 1870, Gov. Warmoth caused the Legislature to submit to the people an amendment abrogating that provision of the Constitution which rendered the Governor ineligible for the succeeding four years after the expiration of his term of office, Lieutenant-Governor DUNN, (colored), S. B. PACKARD and others who aspired to succeed Warmoth as Governor, organized a formible opposition to his Excellency's scheme, and from that date, (1870), the battle begun. Warmoth, having complete control over the Returning Board, carried the Constitutional amendment, and thus removed the only legal obstacle to his re-election for a second time. In the Summer of the same year, 1870, the Republican State Convention assembled. Governor Warmoth and Lieutenant-Governor Dunn, were, respectively, candidates for the Presidency of the body. This was the first real test of strength between the factions. On the side of the Governer were Mr. JAMES F. CASEY, brotherin-law-

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of President Grant and Collector of the Port of New Orleans, Custom House office-holders, the bribe-taking PINCHBACK, the larcenous MORTIMER CARR, Speaker of the House, and the flower of carpet-bag corruptionists, including Judges, District-Attorneys, Tax-collectors and others who held office by the grace his Excellency. Against the Governor were S. B. PACKARD, United States Marshal of Louisiana, C. W. LOWELL, Postmaster of New Orleans, and afterwards a defaulter to the Government in the sum of $60,000, Lieutenant-Governor DUNN, and the colored element of the party generally. Warmoth sustained his first defeat and Dunn was elected President of the Convention. Encouraged by their success, Packard, Dunn & Co. organized a regular opposition to the Warmoth party throughout the State, and from this time onward the war between the factions was waged with a vindictiveness and bitterness seldom equalled in political contests. Collector CASEY up to this time had aided and co-operated with Warmoth. Casey was very eager to be elected U. S. Senator from Louisiana. He was President Grant's brother-in-law, and it would be so nice to sit in the Senate with a brother-in-law in the White House. Besides, he knew it would be a great pleasure to President Grant to have one of his countless office-holding relatives in Congress, and particularly in the Senate. The Senatorship was the goal of Casey's ambition. He had set his heart upon it. But, alas, "the best laid plans of mice and men"—even if those men are brothers-in-law of President Grant—"gang aft aglee," and when the Legislature convened in January, 1871, BROTHER-IN-LAW CASEY was defeated by General West, the present Senator. Casey then abandoned Warmoth and joined Packard, Dunn and Lowell, the very men who had demanded his removal as Collector from Grant a few months before.

UNITED STATES SENATOR WEST.

Let us pause in our narrative in order to inquire into the antecedents of Mr. West. It is said, and not without reason, "that birds of a feather flock together," and we are curious to test the accuracy of the adage. We are also curious to become acquainted with the man for whom the President's brother-in-law was thrust aside. From the *Congressional Directory*, we learn that J. R. WEST was born in New Orleans, September 19, 1822; that he attended for a brief period the University of Pennsylvania; that he served in the war against Mexico; that he went to California in 1849 and engaged in commercial pursuits; that he entered the Union army as Lieutenant-Colonel of a California regiment of Infantry and served "arduously" in New Mexico and the southwest, and was breveted Major-General; that he settled temporarily in Texas but removed to New Orleans, where, after serving as a Deputy United States Marshal and Auditor of Customs, he was appointed Administrator of Improvements by Gov Warmoth, and, lastly, elected U. S. Senator for term ending March 3, 1877. The above is Mr. West's statement; now for ours. In early life, young West was a super-cargo on a vessel belonging to the firm of Zacharie & Co., but his employment terminated in his dismissal for dishonesty. He afterwards became a member of the American Hook and Ladder No. 2 Fire Company, and was chosen foreman. About 1849 he absconded, taking with him one thousand dollars in cash of the funds of the Company, together with the proceeds of silver plate and other valuables belonging to the same association, from the disposal of which he realized several hundred dollars additional. He next turned up in California, where his dishonest inclinations again found excellent opportunities for development. He did engage in "commercial pursuits," as he tells us in his official biography, but he heartlessly deprives us of some interesting particulars. He omits to tell us that he perpetrated a forgery: that he "raised" an order for one hundred barrels of flour on a warehouse which was given to him, to one thousand barrels; and that he was saved from being measured by the prison tailor, through the timely generosity of MR. BEN HALLIDAY, who advanced the money required to pay the amount of the forgery. After the war, when he returned to New Orleans, he was suggested by Commissioner of Internal Revenue, ROLLINS, for the position of Supervisor of Internal Revenue, but his operations in California were made known to SECRETARY MCCULLOUGH, who prevented his appointment. As Administrator of Public Improvements under Governor Warmoth, he feathered his nest sufficiently to purchase his seat in the U. S. Senate.

Fearful of incurring the danger of being treated to a second edition of Mr. West, even a Republican Senate, since West was admitted, has not had the stomach to tolerate another Senator from Louisiana, and there has been none.

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THE LEGISLATURE OF 1871.

The Legislature of 1871, which elected Gen. West to the United States Senate, was the second since the reconstruction of the State, and was, thanks to the kindly offices of Warmoth's Returning Board, overwhelmingly Warmoth and overwhelmingly corrupt. In the Senate, the power of appointing the committees was taken out of the Lieutenant-Governor's, Dunn's hands and in the House, Mortimer Carr was elected Speaker. About the middle of the session Carr had become so unpopular by his flagrant violations of parliamentary rules, and his indecent conduct while in the Chair, that he was compelled to resign his position as Speaker, and George W. Carter was selected in his place. In Lousiana each Legislature lasts two years, and holds a session limited to sixty days in each year of its existence. We mention this fact because this Legistature of 1871 was the same which sat in 1872, when the riots and disturbances, that will be narrated hereafter, occurred.

A FAMILY QUARREL—WARMOTH CARPET-BAGGERS AND CUSTOM-HOUSE CARPET-BAGGERS.

Another Republican State Convention was called to meet in New Orleans on August 9, 1871. There was no State ticket to be nominated, and the only duty to be performed by the Convention was to appoint a State Central Committee. And yet over such an apparently trifling and unimportant a matter as this, the greatest excitement in the party prevailed, and each wing of it—Warmoth and anti-Warmoth—made extraordinary efforts to secure a majority of the delegates to the Convention. The convention was to consist of one hundred and eighteen delegates, but so fierce was the contest between the two factions that the credentials of not more than forty were undisputed. From a large majority of the districts there was either a double delegation, each claiming regularity, or a contesting delegation, accusing the regulars with having been chosen through violence and fraud. It was believed that the faction which should obtain the temporary organization, would indubitably secure the final control of the Convention. United States Marshal Packard, who, as Chairman of the State Central Committee, was entitled to call the Convention to order, belonged to the Dunn faction. This was supposed to give some advantage. The call for the Convention did not state the particular hall in which it was to assemble. The day before the Convention was held public notice was given by Packard that it would convene in the CUSTOM-HOUSE. Before Marshal Packard made this announcement, the Warmoth party did not know in which building the Convention would meet; but on the same day that the notice above referred to was published, the following requisition was made:

NEW ORLEANS, LA., August 18, 1871.

GENERAL JOSEPH J. REYNOLDS, U. S. A.
San Antonio, Texas.

The Republican Convention meets here to-morrow, and much fear is anticipated from thugs and bruisers. I desire to have a guard of soldiers from the barracks to protect the Custom House and other public property. Please give Gen. Sully the necessary orders immediately.

S. B. PACKARD,
U. S. Marshal, District of Louisiana.

Marshal Packard thus confessed that he placed the Government in such jeopordy as to necessitate the presence of troops. In other words, he deliberately orders a political convention to be held in the U. S. Custom House, when he knows, as he admits above, that by so doing, not only is the public property endangered, but the lives of our soldiers are placed in unnecessary jeopardy, merely to protect a miserable gathering of rascally carpet-baggers in a political wrangle among themselves. Supposing that a riot had occurred, and that the Custom House had been fired, public property destroyed, and fifty or more of our soldiers killed, by reason of holding this Convention in the U. S. Custom House, would not Marshal Packard have been responsible? And yet this man, who holds the property of the Government and the lives of our soldiers in such light estimation, has been kept in office by Grant for nearly eight years, and is to-day the Republican candidate for Governor.

THE CUSTOM HOUSE FACTION OBTAIN THE SUPPORT OF THE ARMY.

The troops were of course not needed to protect Government property at all. This was a deliberate falsehood of Packard's. In all these years of oppressive

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Government, burdensome taxation, and maladministration, in not a single instance has a Southern hand been raised against the flag of the United States. The appearance of a handful of men has always been sufficient to enforce order, even when several thousand men under arms, their patience exhausted, were on the ground, ready to drive out their corrupt and lawless rulers once for all. Then again, this was a quarrel among the "truly loyal," and were these patriotic souls, this endless array of Union Generals, Colonels, Majors and Captains, actually going to injure the property of the Government? In response to Packard's dispatch, Gen. Reynolds ordered Gen. Sully, the commanding officer at New Orleans, to detail one hundred men for duty to MARSHAL PACKARD, and accordingly, on the morning of August 9, Captain J. H. Smith marched to the Custom House with one company of the 19th Infantry, and, ascending one flight, stacked arms at the head of the stairs. In addition to this force, Packard appointed a hundred or two special deputy United States Marshals, all armed with pistols and other weapons, thus swelling the number of guards to a goodly size. The United States Court Room, in which the Convention met, is on the second story of the Custom House. It communicates by two doors, with an adjoining room, but can be entered from the corridor only through one door. Persons in possession of the adjoining room could enter the court room in which the Convention was held, through two different doors, without being seen by those outside in the hall. Marshal Packard's office was on the same floor, close by. All the regulations necessary to secure an entrance into the Convention were admirably made to secure the purpose desired. No person was admitted into the building without a ticket, and no ticket was obtainable until after 9 o'clock in the morning of the same day that the Convention was held, and then only at the *money order window of the Post Office*, so that the latter branch of the public service was also enlisted in Packard and Casey's cause. However, all persons claiming seats—regular delegates and contestants—were given tickets. At 11 o'clock Governor Warmoth, in company with ninety-five delegates, some of whom were contestants, proceeded to the Custom House in a body, and demanded admission.

THE CUSTOM HOUSE CONVENTION—AN EXCITING SCENE.

They found the main entrance and the gates, closed, barred and bolted, and guarded by a large force of armed men, white and colored, mostly employés in the Custom House, and the letter carriers of the Post Office, besides the U. S. Troops, and Packard's battalion of "Special Deputy Marshals." After some delay the Warmoth faction were admitted into the lower floor one at a time. When they went up to the second floor, they were confronted by a line of U. S. Infantry which faced the stairs and completely covered the delegates as they ascended. Another detachment, more imposing than that which guarded the entrance, did duty on the second story. The delegates then passed through a file of deputy marshals and soldiers and walked to the door of the U. S. Circuit Court Room. There they were stopped by two persons (assisted by Packard's special deputy marshals), who distinctly informed the Governor that they had received instructions from Marshal Packard to admit none into the room until 12 o'clock. While standing in the hall near the door of the Court Room, parleying with the guards for admission, the door of the other Court Room which adjoined that in which the Convention was to meet, opened, and Warmoth and his party saw the Custom House delegates holding a caucus therein. They also perceived that the two doors communicating between the rooms were also open, and the Custom House people, who had been secretly admitted into the building, were entering the room of the Convention from this adjoining Court Room. Packard's scheme was then made manifest. The Convention was to be packed with his followers, so that when Warmoth's faction should enter, it would be a very easy matter for those already inside to rush through the work of preliminary organization and secure control of the Convention before their antagonists could possibly participate. Not wishing to be caught in the trap that Packard had set for them, the Warmoth people withdrew and held a Convention of their own in another Hall. The Custom House party proceeded with their Convention also, and Marshal Packard was retained at the head of *their* State Committee.

Thus, under the pretense of protecting public property, Packard secured U. S. troops, for the sole purpose of enabling him to control the Convention and, re-elect himself to the position he coveted. The excuse, and the only excuse for holding the Convention in the Custom House building, was that no suitable hall was to be had for the purpose except the Mechanics' Institute, used at that

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time as the State Capitol, which Packard alleged would have been under the control of the Governor and the police of the city, of which his Excellency was in reality Commander-in-Chief. If it be true that each of these factions of the Republican party required armed force to protect it from the violence of the other, it should be remembered that no principle was at issue between them, and that the struggle was solely for political power and party leadership. The presence of Federal soldiers, under the virtual command of the leader of one of the contending factions, was both an insult and an outrage.

COMPLAINT WAS IMMEDIATELY MADE TO THE PRESIDENT,

By a committee of Warmoth men, of which Judge Dibble was spokesman. In his evidence before the committee the latter person testified as follows:

"Q. Did you complain to the President? A. Yes, sir; I made a very emphatic representation to him at Long Branch.

Q. What did the President say? A. He said that the charges against these gentleman were very extraordinary, and he would investigate them.

Q. Were any Federal officers removed in consequence of the proceedings? A. No, sir; they ought to have been.

Q. Do you hold, then, that the approval of the President is fairly to be inferred from his continuing these gentleman in office? A. Yes, sir; I think he knew the facts, *etc.*

Q. Did the President justify the conduct of the Custom House officials in bringing armed soldiers into the building? A. He made use of a very curious phrase in regard to that. *He wanted to know what objection we had to the troops, if we did not intend to do any harm.*

Q. He then justified the bringing into the Custom House of these United States troops? A. I think the President has a very poor opinion of the Republican party down here, and that he had come to the conclusion that anything was justifiable to overthrow Governor Warmoth. I think that the President's personal dislike to Governor Warmoth has as much to do with his opposition as anything. *If the President had told these gentlemen down here in the Custom House, to quit, they would have quit long ago. I think the President is in that way responsible for the division in our party.*

Q. And to that extent responsible for the recent trouble you have had? A. Yes, sir.

Q. Then it is your opinion that the President is morally responsible for the troubles that have recently occured in New Orleans? A. The question of intention comes in there. He may not have intended to do what he has done, but I think his attidude has encouraged these people, and in that way he is responsible.

Q. Does not his refusal to remove the Federal officers here fix the responsibility definitely on him? A. I think it is his intention to sustain this Custom House wing of the party down here as long as possible. That is merely my opinion. I only infer it from the fact that he was fully acquainted with all the circumstances attending the assembling of the Convention in the Couston House and the use made of the United States troops there. He must have known that it was in violation of Republican institutions, and I think he must have been of the opinion that almost anything was justifiable in overthrowing Governor Warmoth.

GOVERNOR WARMOTH'S DESCRIPTION OF PRESIDENT GRANT'S BROTHER-IN-LAW.

The rupture of the factions was the signal for criminations and recriminations among the carpet-baggers. We are indebted to Governor Warmoth for some excellent political photographs of his principal opponents.

Of BROTHER-IN-LAW CASEY, his Excellency swore before the Congressional Committee as follows:

"Mr. CASEY, Collector of the Port, was interested in the scheme (the "Act to incorporate the New Orleans Shed Company," monopolizing the front levee from Common to Poydras streets, with the power to build sheds and tax merchandise landed under them, and on steamboats that land their goods on the wharf), which I voted and killed. This franchise was so valuable that money was used in the Legislature to pass it, and Mr. Casey was the custodian of the corruption fund

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and returned the money to the parties interested when it became a failure by my disapproval. Mr. Casey was also an incorporator in the celebrated Warehouse bill, and which passed over my veto, which appropriated $1,400,000 of State Bonds as its Capital Stock, and his office was the place where the directors held their meetings."

Of MARSHAL PACKARD, the present Republican candidate for Governor of Lou isiana, his Excellency said, under oath :

"Mr. Packard, another Reformer, caused to be prepared and introduced in the Legislature an Act providing for the construction of the Nicolson pavement, from the Tivoli Circle to the upper line of Carrollton, a distance of about seven miles. It would have cost about one and a quarter million of dollars, one-quarter of which was to be taken out of the State Treasury, but which was defeated by my veto. *Mr. Carr (a member of the House) informs me that Mr. Packard offered him* $500 *to vote for this bill.* I WAS OFFERED $50,000 TO SIGN THIS BILL."

His Excellency, extending the description of his ex-coadjutors, testified :

"POSTMASTER LOWELL, another reformer, was the champion of the celebrated "Ship Island Canal Bill," which pocketed all of the swamp land in the vicinity of New Orleans, and the drainage fund of the city, and which they passed over my veto. It has since died from popular strangulation."

"Mr. HERWIG, a Senator, and chief Deputy Collector of the Port under Mr. Casey, was also interested in the Shed Company referred to above."

PHOTOGRAPH OF THE SPEAKER OF THE LOUISIANA HOUSE.

"Mr. SPEAKER CARTER was the father of, and had introduced in the Legislature of 1869, an "Act incorporating the Louisiana Transit Company," and giving the aid of the State, at the rate of $25,000 per mile, to build a railroad from New Orleans to Houston, Texas, after the Legislature had already incorporated the New Orleans, Mobile and Chattanooga Railroad Company, and given it the aid of the State by the indorsement of its bonds for $12,500 per mile for the same purpose."

"Mr. Carter had an interest in the Louisiana Levee Company, which he demanded and was conceded to him, in consideration of his potent and valuable influence as Speaker and Member of the House of Representatives. Mr. Carter was also, and is now, the paid attorney of the New Orleans, Mobile and Texas Railroad Company, from which he receives $833.33 per month, or $10,000 per annum, and for which he has never done one hour's service. The contract for his employment was made with him by the company after he had kept in his pocket, for thirty or sixty days, a bill which had passed the Legislature almost unanimously, providing for the subscription of two millions and a half of its stock in lieu of the indorsement of its second mortgage bonds, and immediately after this contract was made by which he became the attorney of the company the bill was signed by him. He has also been the paid attorney of the New Orleans, Jackson and Great Northern Railroad Company, and has likewise performed no service, except to suppress an infamous and slanderous report, a plan devised by him for the purpose of injuring the company in case it would not submit to being blackmailed by the Chairman of the Railroad Committee, a creature of Mr. Carter. He receives $5,000 per annum from this company. He was also interested in the Levee Shed Bill, as he was in almost every measure that passed the Legislature. Mr. Carter introduced the Steamship Bill, which gave $1,000,000 bonds subsidy to a steamship company, which was killed by my veto. Mr. Carter gave additional evidence of his sincerity as a reformer by inserting or interpolating into the Journal of the House, on the last night of the session, a number of resolutions which he stated were introduced and passed that night, when it is notorious that they were not introduced up to 8½ o'clock that evening, and from that moment until the adjournment the House was in a constant state of uproar, during which time it was impossible for the Housecouse to do any acts of legislation whatever."

HON. JOHN RAY—A GREEDY CARPET-BAGGER.—CASEY HOLDS A CORRUPTION FUND.

"SENATOR RAY, a prominent candidate for U. S. Senator, has received $546,000 in State bonds, in aid of his railroad from Vicksburg to Monroe, on the condition that he would pay the interest and principal as it became due ; the State is to-day paying $40,000 per annum interest on these bonds, owing to Mr.

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Ray's default. Mr. Ray also received $70,000 from the State Treasury for revising the Statutes and two Codes of the State, which was authorized by an Act of the Legislature which he was instrumental in having passed, a work generally condemned by the bar. He was interested in the Louisiana Levee Company; was its champion in the Senate; brought down the previous question and would not allow discussion on its merits, and when that body adjourned was elected president of the company, at a salary of $10,000 per annum. The Act incorporating this company gives it authority to build fifteen million cubic yards of levees, at the enormous price of 60 cents per cubic yard, and assesses a tax of ten per cent. on the cost of the property of the State for twenty-one years; authorizes it to issue its bonds in anticipation of the taxes, which it is made the duty of the State to endorse and guarantee."

"Mr. Casey,"—(President Grant's brother-in-law),—the minority report of the committee says, "*is clearly proved to have been interested in, and the holder of, a corruption fund of* $18,000, *part of a* $50,000 *fund raised by himself and others to bribe the Legislature to pass a bill in which he was an incorporator.* Herwig, his deputy collector, was, at the time, a State senator, and when I vetoed the bill, Casey unlocked his safe in the Custom House and Herwig took out of it and returned $18,000. It required just *eighteen* senators to pass the bill, and *eighteen* thousand dollars would have divided nicely among them."

Having given his carpet-bag Excellency's opinion of the brother-in-law, and Packard, Carter, Lowell, Herwig and the rest, it would hardly be fair not to give the other side a hearing. They were all equally complimentary in their remarks on the Governor, but the following from Speaker Carter embodies the sentiments of Packard, Casey and the rest.

A PHOTOGRAPH OF WARMOTH BY SPEAKER CARTER.

"Louisiana is affected with worse laws and worse administrators that can be found in any ten States of the Union. Henry Clay Warmoth is the 'Boss Tweed,' of Louisiana, except that that amiable villian, with all his infamies, is a gentleman and a saint compared with the unscrupulous despot who fills the Executive chair of this State. From the great depth of the popular heart comes up the demand for *bona fide* and radical reform. Who is Henry Clay Warmoth? I knew him before he was Governor. He came in your midst poor and an adventurer, and he has been elected to office, and gradually, by corruption and all the questionable means resorted to by the political demagogue, abusing the confidence of a simple-hearted and confiding people, he has gradually acquired and *holds power* more despotic than any King in Europe, and patronage more abundant and potent than any five Governors in the Union. Through the registration and election laws he makes voters and controls elections. Through his patronage he poisons public virtue and corrupts public officers; and through the Metropolitan police, militia, and constabulary laws, he intimidates and coerces those whom he cannot corrupt. With executive powers the greatest possible, he has nefariously absorbed, in many instances, judicial power, and manipulated and controlled the legislative department of the State; and all this for the perpetuation of his power, and the aggrandizement of his partisans, rather than for the public weal. He had kingly prerogatives given him, not for personal ends, but for the benefit of the people, and it was expected, in the exercise thereof, to confer royal benefactions upon the people, who elected him to power, and charged him with the safe-keeping of their interests. What return has he made? This beggar, made a king, has done nothing adequate to his opportunities and his powers, but made most beggarly returns for the trust put in his hands."

POLITICAL COMPLICATIONS—DEATH OF LIEUTENANT-GOVERNOR DUNN.

As the time approached for the assembling of the Legislature, on January 1, 1872, there began to be some talk of impeaching the Governor. Under the Constitution of Louisiana the passage by the House of Representatives of articles of impeachment, suspends the functions of the Governor until he shall be accquitted. In the latter event, Lieutenant-Governor Dunn would have become Chief Magistrate for the time being. If two-thirds of the Senate could not be relied upon to convict, a majority had it in their power to postpone the trial indefinitely, and thus secure all the advantages of conviction. But whilst the Custom House party were arranging the preliminaries for a grand *coup d'etat* against Warmoth, Lieutenant-

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Governor Dunn, on Nov. 25, 1871, died, some say by poisoning; This was a great blow to his faction. He was a colored man and had the confidence of his race. Who should succeed Mr. Dunn became an important question, especially in view of the proposed impeachment of Governor Warmoth. The duty of electing Dunn's successor devolved upon the Senate, which was very evenly divided. If a Warmoth man should be chosen, not much could be gained by a temporary suspension of the Governor. But if, on the other hand, the House should pass articles of impeachment before any person was elected President of the Senate, the Speaker of the House, Mr. Carter, would become Governor.

In this exigency, Governor Warmoth called an extra session of the Senate, for December 6, 1871, for the purpose of filling the vacancy in the office of Lieutenant-Governor. Under the Constitution of Louisiana, the Governor may, on extraordinary occasions convene the General Assembly, and upon the principle that the greater includes the lesser, the Governor held that the power to convene the *General Assembly* necessarily embraced the power to convene the Senate alone.

EXTRA SESSION OF THE SENATE—WARMOTH WINS HIS POINT.

The assembling of the extra session of the Senate caused considerable excitement, as it was well known that both factions were anxious to control the election of a Lieutenant-Governor. The Louisiana Senate consists of thirty-six members; two were dead, leaving only thirty-four living Senators, and this number met. The first business transacted was to ballot for Lieutenant-Governor. The first vote stood seventeen for PINCHBACK, the bribe-taker, who was Warmoth's candidate, and seventeen for COUPLAND, a *Deputy Collector of the Custom House*. It seems impossible to say a word about Louisiana carpet-bag rule without being compelled to mention the Custom House. In this emergency, however, SENATOR LEWIS, a Custom House Inspector, who had been acting with the Custom House gang, changed his vote from COUPLAND to PINCHBACK, thus electing him. He had been bribed by DR. SOUTHWORTH, Warmoth's confidential agent, with a promise of $35,000, out of which he was subsequently cheated. By these means did Pinchback, a mulatto of New Orleans, become Lieutenant-Governor.

The Senate then adjourned. The action of the Senate was pronounced unconstitutioual by the anti-Warmoth faction, on the ground that the Governor had no right to call an extra session of either branch of the Legislature separately. The Governor claimed, on the other hand, that he clearly had the power to assemble either house, to take any action which did not require the concurrence of the other. As the Legislature would assemble on January 1, ensuing, being then only twenty-five days distant, it was alleged with much plausibility that the object of the Governor, in the exercise of this doubtful power, was to have the President of the Senate selected before any articles of impeachment could be agreed to by the House, and before his opponents could combine upon a candidate antagonistic to him. In the meantime, it appears that a coalition between the Democrats and the anti-Warmoth members had been formed for the purpose of deposing Warmoth and repealing the obnoxious registration and election laws.

MEETING OF THE LEGISLATURE OF 1871—THE REVENUE CUTTER "WILDERNESS" AND TO WHAT USES SHE WAS PUT.

On January 1, 1872, amid the wildest uproar, the Legislature convened in the Mechanics' Institute, which was used as a State Capitol. In the Senate, only seventeen Senators, all Warmoth men, attended. Of the balance fourteen were in the city, but refused to appear until the arrival of three absent Senators, whom they anticipated would join them in repudiating the election of Pinchback and electing one of their own number. It may here be stated that two Senators had died, but the Governor, doubting his ability to succeed them with his partizans, took care that no official notice of the vacancies should be sent to him, and hence he never issued orders for an election. The attending Senators directed the Sergeant-at-Arms to arrest the absentees and arraign them at the bar of the Senate. To protect them from arrest, President Grant's brother-in-law, COLLECTOR CASEY, and U. S. MARSHAL PACKARD, who were opposed to Warmoth, gave orders to the captain of the U. S. Revenue steam cutter *Wilderness* to receive them on board and to sail up and down the river. This was done, and the absconding Senators remained in a United States vessel for five or six days, and would doubtless have remained longer, but for the peremptory orders of the Secretary of the Treasury to disembark them. When forced to leave the *Wilderness* they sought

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refuge in the Stateof Mississippi, where they remained until January 20, 1872, when they returned to the Senate Chamber, and continued, until the final adjournment, in regular session.

The history of the other branch of the Legislature during the same period was more eventful. As each legislative term consists of two sessions of sixty days each in separate years, Mr. GEORGE W. CARTER, Speaker at the first session, called the House to order on this, its second session. An adjournment until the next day without transacting business was had out of respect for the memory of the late Lieutenant-Governor DUNN. On the second day, January 2, a resolution of confidence in Mr. Carter, and confirming him in the speakership, was passed by a vote of 49 to 45. This was a triumph for the anti-Warmoth combination, and there was great rejoicing in the victorious camp.

WARMOTH'S TACTICS—FEDERAL OFFICIALS INTERFERE AS USUAL.

But during the night, his Excellency resorted to the same tactics that he pursued in securing the election of Pinchback, so that, when the House assembled on the third day of the session, (January 3,) the question of approving the Journal of the preceding day, which included the resolution confirming Carter as Speaker, *was defeated by a vote of* 49 *to* 46. This test vote convinced the Custom House party, represented by Carter, that they were in a minority. The Warmoth members immediately attempted to elect a new Speaker in the place of Carter, but failed to get the floor for that purpose. Finally Mr. Carr made the motion to depose Carter, out of order, put the question to the House himself and declared it carried. The hall and corridors were all this time swarming with Warmoth's policemen. An effort was made to place the new candidate in the chair by a demonstration of force, but as Carter and his friends made a show of resistance by force, the matter was dropped, and amidst the greatest tumult and excitement the House adjourned. It was now the opportunity of the Custom House party to turn the tables upon their opponents, and they selected the least expensive of the several methods that suggested themselves. They procured warrants for the arrest of Gov. Warmoth, Pinchback, several Senators, and eighteen members of the House, all Warmoth's friends, from United States Commissioner Woolfley, a former deputy under Packard, on the charge that they were conspiring to resist the execution of the laws of the United States. About noon on the fourth day of the session (Thursday, January 4) Marshal Packard's deputies entered the capitol and began to make arrests. This proceeding, perfectly infamous in its character, accomplished its object for the moment. The Warmoth members of the House were thrown into temporary confusion, and nearly all left the hall. Their withdrawal left the House with only fifty-one members, not a quorum, because a full house consisted of one hundred and six members, and the Constitution having provided that not less than a majority of the members of the house shall form a quorum, it was evident that fifty-four members were necessary for a quorum. Yet with fifty-one members, three less than a quorum, the Custom House party unseated seven Warmoth men, and in their places admitted six anti Warmoth members, leaving one seat vacant, thus making a quorum and placing the Custom House faction again in the majority. If at this juncture the House had impeached Warmoth, the current of subsequent events would have been materially altered. But instead of availing themselves of their great opportunity, the Custom House members adjourned the House about 1:30 o'clock in the afternoon, until the next day, Friday, at noon.

WARMOTH'S *coup d'etat.*

Governor Warmoth, conscious of the great peril that threatened him, and realizing the imminent danger he stood in, of being dethroned, became desperate, and determined to oppose one outrage by the commission of a greater. Hardly had the House adjourned, when he issued a proclamation convening the General Assembly in extra session, on that same Thursday afternoon at 4 P.M. Notice of this proclamation was given only to those members and senators who were acting in accord with him. The Senate met in extra session at the hour named, but there being no quorum, they adjourned. The members of the House who had been notified, assembled in the Hall, and after half an hour's delay, a quorum of fifty-five members was obtained. Whereupon the proceedings of the morning session were expunged and declared void, *the office of Speaker declared vacant*, and O. H. BREWSTER elected Speaker in Carter's place.

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Then, to complete the *coup d'etat*, Carter was expelled from membership of the House by a vote of forty-nine to five. The next morning, Friday, the Custom House party learned for the first time of what had occurred. Carter proceeded to the capitol, but found it in possession of an immense body of armed policemen, who refused him admission. Thus excluded, the Custom House members attempted to organize the House in the hall of the "Gem Saloon," and remained in continuous session for the purpose of getting a quorum, but the most they succeeded in obtaining was fifty members.

BLOODSHED—REIGN OF TERROR.

Meanwhile the sergeants-at-arms of the rival Houses, with armed assistants, scoured the city and arrested members wherever found and brought them by force to their respective Houses. One of these, MR. WALTER WHEYLAND, an anti-Custom House member, in defending himself from the arrest by four sergeants-at-arms, *two of whom were Custom House employés*, WAS MURDERED BY THEM. The city was in a terrible condition. Stores were closed and business was suspended. Large bodies of armed men patrolled the streets, and at times collisions attended with loss of life took place. An armed body from the Gem Saloon, being in need of arms to equip converts to their cause, attacked and robbed an armory of a number of muskets, on Friday evening, January 5th, and paraded with them through the streets of New Orleans.

UNITED STATES TROOPS, OF COURSE.

At the beginning of the disturbances and at the request of U. S. Marshal Packard and those acting with him, the United States troops were brought to the city by General Emory and quartered in the neighborhood of the capitol. The object of this movement was to give the Custom House faction the color of having the support of the National Administration and the Army; the same identical trick they played so successfully at the Custom House the preceding Summer. But when it was found that the presence of troops did not accomplish the desired effect, it was determined to withdraw the troops from the city and return them to the barracks.

THE PRESIDENT OFFICIALLY INFORMED OF THE INTERFERENCE OF CASEY, PACKARD & CO.

When Warmoth was informed of this, he sent the following telegram to the President:

NEW ORLEANS, January 4, 1872.

To HIS EXCELLENCY, U. S. Grant, *Washington, D. C.*

Sir: Six Senators, employés in the New Orleans Custom House, have formed a conspiracy with the Democratic Senators to prevent a quorum of the State Senate, and have succeeded throughout the entire week. *In this plot they have the support of the Collector of Customs, the U. S. Marshall, and several of your appointees here,* AND THE REVENUE CUTTER *Wilderness* has been and still is employed to take these conspirators beyond the reach and jurisdiction of the sergeant-at-arms empowered to arrest them in order that a quorum may be secured and public business transacted.

At the moment of assembling to-day a number of Deputy United States Marshals armed with warrants from a United States Commissioner, based upon the frivolous affidavit of members of the conspiracy, suddenly arrested eighteen Representatives, four Senators, and the Governor and Lieutenant-Governor. The effect of this was to break the Republican majority in the House of Representatives. During the confusion consequent upon this outrageous procedure the conspirators claiming to be the House, but not numbering a quorum of that body, ejected six Republican members. Threats by violence, backed by United States troops to carry out this plot, are freely made.

I respectfully request to be informed, if, as claimed, you sustain the Collector, the Marshal and the other Federal officials in this revolutionary attempt to overthrow the State government, an attempt which, if not discontinued by your appointees, must result in anarchy and bloodshed.

H. C. WARMOTH."

A SECOND DISPATCH TO THE WHITE HOUSE—THE CITY IN A STATE OF SIEGE.

As Mr. Casey, the President's brother-in-law, was arrayed against Governor Warmouth, Mr. Grant was not so eager to assist Warmoth with federal bayonets

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as he was to protect the usurper Kellogg a year later. So he simply replied that Governor Warmoth's "report of proceedings of the United States Marshal was of such an extraordinary character that he would have the matter investigated at once."

Warmoth telegraphed to the White House again, saying that a riot was imminent; that there was no quorum of the Senate, owing to their being beyond the reach of the sergeant-at-arms on board the cutter *Wilderness*, and that General Emory be instructed to coöperate with him in preserving the peace." No answer from Washington.

Meantime the city was as if in a state of siege. Both factions were supported by several thousand men under arms. Between January 6th and 15th, several attempts were made to capture their respective headquarters; the Custom House army marching towards the Capitol and the Warmoth army marching on the "Gem Saloon," but in each instance General Emory appeared upon the ground with a few companies of regulars and prevented a collision.

On January 14th the President ordered the troops to retire to their barracks and not to return again to New Orleans without orders from him.

THE PRESIDENT REFUSES TROOPS WHEN REQUESTED BY THE LEGISLATURE.

On the next day a joint resolution passed both Houses of the Legislature, calling upon the President to place at the disposal of the Governor such military forces as might be necessary to enable the Governor to preserve the public peace and enforce and maintain the Constitution and laws.

In view of the President's eagerness to send troops to New Orleans a few months later, and even without being asked, the following reply of the Attorney General merits the closest attention:

"DEPARTMENT OF JUSTICE,
WASHINGTON, January 15, 1872.

SIR:—The President has referred to me your dispatch of this date, representing that the Legislature of the State has asked to have the military forces of the United States placed at your disposal to preserve the public peace. There is a contest as to the legality of the election of Lieutenant-Governor, and also as to the existence of the lower branch of the Legislature, dispatches having been received here from two persons, each claiming to be the Speaker thereof, and the President does not feel *that he would be justified in deciding those questions at this time*, and, under existing circumstances, *is unwilling to interfere, in State mateers*, with the military power of the Government, except in a clear case of legal right and overruling necessity.

Your obedient servant,
GEORGE H. WILLIAMS,
Attorney-General.

His Excellency,
H. C. WARMOTH,
Governor of Louisiana."

To which Warmoth immediately replied as follows:

"NEW ORLEANS, January 16, 1872.

The President misapprehends the nature of the request of the General Assembly. *It does not ask him to decide* whether the Lieutenant-Governor was legally elected, or which of the two bodies is the legal House of Representatives. *This is a question which the General Assembly can and will settle for itself*, unless it is overpowered by the mob. The question of the Lieutenant-Governorship is one to be settled by the Senate and the Courts. The existence of the lower branch of the Legislature is one to be settled by the members thereof. There met yesterday a quorum of the Senate, and no question was raised by anybody as to the legality of the election of the Lieutenant-Governor. There has been a quorum of the House of Representatives every day since the beginning of the session. Not a single member has been arrested by either House in order to make a quorum. * * * *

H. C. WARMOTH.

HON. GEO. H. WILLIAMS,
Attorney-General."

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WARMOTH DISPERSES THE CUSTOM HOUSE FACTION—END OF THE REIGN OF TERROR.

The course of the National Administration, as might have been expected, and as doubtless was intended, encouraged the Custom House party, and the news was rapidly spread through every quarter of the city that the President had declared for Packard, Casey, Carter and their faction, and Carter immediately issued a proclamation fixing Monday, January 22, at 11:30 A. M., as the time when he would march on the State House; and "*all citizens, irrespective of race or party,* were earnestly invited to organize *and arm themselves* as well as they might be able, and report in force in the neighborhood of 207 Canal street, where they would be sworn in as —we were about to say deputy United States Marshals—assistants to the Sergeant-at-Arms of the 'Gem Saloon' Custom-House Legislature."

Governor Warmoth, satisfied that President Grant would not lend him any support, called out and armed the entire police and militia forces of the city, and stationed them in position in the vicinity of the State House and prepared for the coming battle. But on the morning of the 22d General Emory informed both Warmoth and Carter that he had received orders from Washington to suppress any conflict of armed bodies that might occur. The result of this announcement was that Carter at once disbanded his forces, and the Custom House faction, bereft of the Federal protection *they had been promised,* dispersed to their homes, leaving Warmoth master of the situation. Thus ended the reign of terror that that had prevailed for upwards of a fortnight by reason of this disgraceful struggle for the spoils of political patronage among a miserable gang of contemptible carpet-baggers. Within a few days after these events the "Gem Saloon Legislature" ceased to hold further meetings, and some of its members were received back at the State House. The Senators who had been disembarked from the cutter *Wilderness* somewhere on the Mississippi coast, seeing that Warmoth had secured a quorum without them, returned to their seats in the Senate, and the Legislature thus finally organized, continued its sessions without interruption until it expired by constitutional imitation on March 1st, 1872.

The responsibility for the scandalous scenes attempted to be described above, belongs to the Republican party and the Administration. But for the support and countenance extended to these adventurers, they would not have existed an hour. Their infamous laws, their oppressive governments, their corruption and venality, would have departed with them, and peace and liberty would have again dwelt in their borders.

PART SECOND.

THE USURPATION OF THE LEGITIMATE STATE GOVERNMENT OF LOUISIANA BY THE ILLEGAL ORDERS OF A DRUNKEN FEDERAL JUDGE, SUSTAINED AND UPHELD BY THE PRESIDENT AND THE ARMY.

We are now come to the most disgraceful chapter of all this Louisiana business, namely, the overthrow of the legally elected State Government by the orders of a drunken and corrupt Federal Judge—Durell—assisted and upheld by President Grant and the United States Army. But before proceeding to narrate the events which occurred at that exciting period, we will hastily review the political situation of Louisiana from the adjournment of the Legislature in March, 1872, to the issuance of Judge Durell's outrageous order. Our information continues to be gathered from the testimony taken by Republican Congressional Committees, which conducted their investigations with an exhaustiveness and expensiveness which, in the light of some fifteen or twenty volumes of closely printed evidence and reports, will be readily conceded.

The rupture between the Warmoth party and the Custom House faction was not healed, after the adjournment of the Legislature in early March, 1872. On the contrary, the breach was widened to an extent that rendered an amicable adjustment impossible. Efforts were made by the Administration to re-unite the party, especially as the Presidential election was drawing near and Grant was desirous of obtaining the electoral vote of Louisiana, which he knew would be sure to attend a reconciliation with Governor Warmoth, who, as has been previously demonstrated, controlled the election machinery of the State. But as Grant would not remove his brother-in-law Casey, the Collector of Customs or the voluble Packard, the U. S. Marshal, as desired by Warmoth, the negotiations were dropped.

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A COALITION BETWEEN WARMOTH AND THE DEMOCRATS.

Warmoth then made overtures to the Democrats to join forces and nominate a "fusion" ticket for Governor and other State officers. Many leading Democrats opposed having anything to do with the man who had contributed more than all other men to bring about the ruin of their State. They said that as Warmoth was infamous, to establish a political partnership with him would be like forming an alliance with INFAMY. But the majority, while conceding these truths, believed that a combination with Warmoth was the only feasible plan by which it was possible to shake off carpet-bag rule and redeem Louisiana from her plunderers. Hence a State ticket headed by JOHN MCENNERY as candidate for Governor and D. B. PENN as candidate for Lieutenant-Governor, was nominated by the Democrats and Warmoth's Republicans. It was called the "fusion" ticket.

The Custom House Republicans nominated WM. P. KELLOGG for Governor, and a mulatto, C. C. ANTOINE, for Lieutenant-Governor. In the City of New Orleans there was also an important election to be held for the position of Judge of the Eighth District Court, otherwise called, "The Political Court." Judge DIBBLE was the Custom House candidate for re-election to the bench of this Court, whilst Judge ELMORE was the fusion candidate. Candidates for members of the Legislature were also nominated by the two parties.

The election was held on November 4, 1872. It was conducted in pursuance of the laws of the State, the Registrars being chosen by the Governor, and the Commissioners of Election being selected by the Registrars, and the returns being made by the Registrars to the Governor, and by the Governor to the Secretary of State and the Returning Board. The latter body, which consisted of the Governor, Lieutenant-Governor PINCHBACK, Secretary of State HERRON, JOHN LYNCH and T. C. ANDERSON (who was absent), met on the 13th of November as a Canvassing Board, and after organizing, by the election of Governor WARMOTH as Chairman, and LYNCH as Secretary, adjourned until the next day, November 14, at 12 M.

THE GOVERNOR REMOVES ANOTHER SECRETARY OF STATE.

At 10 A. M., November 14, the Governor removed HERRON and appointed Mr. JACK WHARTON in his place. At 12 o'clock the same day, when the Board met, WHARTON appeared and presented his commission as Secretary of State, and claimed a seat in the Board instead of HERRON. The latter disputed the Governor's right to displace him, and protested against the act. The Governor, as chairman of the Board, refused to regard him as Secretary of State or member of the Board any longer, and would only recognize WHARTON. The question of the legality of Mr. WHARTON's appointment assumed a vast importance, because as Messrs. PINCHBACK and ANDERSON were disqualified from serving on the Board, it devolved upon the three other members, to wit, the Governor, the Secretary of State and Mr. Lynch to select their successors. Mr. WHARTON and the Governor acted in accord, and appointed Messrs. HATCH and Daponte in the place of PINCHBACK and ANDERSON. LYNCH and HERRON, who were identified with the Custom House people, named General LONGSTREET and Mr. HAWKINS to fill these vacancies. This difference gave rise to two Boards of Canvassers; WARMOTH, LYNCH, WHARTON, HATCH, and DAPONTE being the Board recognized by the "FUSIONISTS," and WARMOTH, LYNCH, HERRON, HAWKINS and LONGSTREET, being the Board recognized by the Custom House. It will thus be observed that the misunderstanding which arose as to the legal construction of the Board of Canvassers, and the lamentable occurrences that followed, had their sole origin in Governor Warmoth's unwarranted and illegal suspension, in August, 1871, of Mr. Bovee, the Secretary of State, who had been elected by the people in 1868, at the same time as Warmoth. Had the Governor caused the impeachment of Mr. BOVEE, which he could easily have effected with his irresistible power over the Legislature, then the legality of the tenure by which his appointee held the office would have remained unquestioned. But as the Legislature of 1872 adjourned without taking any action on the charges preferred against Bovee, because the Governor did not press them urgently, Mr. Bovee brought another suit, and Judge Dibble, of "The Political Court," who had meantime become a political antagonist of Warmoth, decided that Bovee was entitled to the office on the ground that the commission of HERRON expired with the session of the Legislature next after the removal of BOVEE. But Bovee was still prevented from resuming his office, as this decision was carried to the Supreme Court, where we shall leave it and Bovee.

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KELLOGG, IN ANTICIPATION OF DEFEAT INVOKES THE AID OF JUDGE DURELL.

Both Canvassing Boards at once rushed to the Political Court which was presided over by JUDGE DIBBLE, a Custom House partizan, for injunctions against each other, and on the 19th of November, DIBBLE (who ought to have been named DEVIL, right out) granted an order restraining the Warmoth Board from proceeding with a count of the returns. Whilst this legal battle was being fought in Dibble's Court, WILLIAM P. KELLOGG, the Custom House candidate for Governor, well knowing that he had been defeated by Mr. McEnnery by at least 10,000 majority, and in order to prevent the Warmoth Returning Board from so declaring, begun proceedings in the United States Circuit Court before Judge Durell against Governor Warmoth, John McEnnery and others, and averred that he was going to be cheated out of his election, that about 10,000 persons had been denied registration, and that from 3,000 to 5,000 blacks had been deprived of the right to vote on account of race and color; that a number of ballots sufficient to have elected him had not been counted; that Warmoth was about to destroy the returns and all evidences of the election, so as render it impossible for him ever to establish his right to office, and that it was the intention of Warmoth and his Board to make a false canvass and declare Mr. McEnnery elected.

WHAT REPUBLICAN U. S. SENATORS THINK OF KELLOGG'S CASE.

The majority of the Senate Committee on Privileges and Elections, who investigated this subject, made a very elaborate report of their findings and conclusions. This report was signed by Senators CARPENTER, ANTHONY, ALCORN and ANTHONY, *all Republicans*. Referring to Kellogg's Bill of Complaint, the report says:

"It is at least questionable whether this bill on its face presented a case within the jurisdiction of the Federal Court. Although it is alleged that about 10,000 persons had been denied registration on account of *race and color*, yet this wrong was completed at the time the bill was filed, *and it was not in the power of the Court to undo it.* In the subsequent part of the bill the pleader appears to ignore the fact of race, color or previous condition of servitude, as an element of jurisdiction. Again, it can hardly be claimed that Kellogg had been deprived of his office of Governor at the time the bill was filed. Conceding, however, that the bill did present a case within the jurisdiction of the Court, that jurisdiction was limited by the scope of the bill, *and gave no warrant to the extraordinary proceedings which were subsequently had in the case.* * * * * The subsequent attempt of the Court, on a bill in equity, to determine the title of Warmoth, Wharton and others to act as State canvassers, *was a matter wholly beyond the jurisdiction of the Federal Courts.* The bill shows that WARMOTH, WHARTON, HATCH and DA PONTE claimed to be members of the Board and were acting as such; and alleges that they were not members of the Board, but that LYNCH, HERRON, LONGSTREET, HAWKINS and WARMOTH were the legal members of said Board. *What jurisdiction had the Federal Courts to determine the rights between these contending Boards?* They were State officers, and *it is not alleged in the bill that any colored man* was deprived of any right which had resulted in the election of HATCH and DA PONTE. The utmost which the Court had authority to do upon this bill was to restrain the destruction of the returns and documents, *to preserve* which the bill was filed. They were State Records, and the Federal Court had no right to take possession of them. The Bill did not ask the Court to do so, but only to require copies to be filed."

JUDGE DURELL'S FIRST INJUNCTION.

But Judge Durell, in flagrant violation of all precedent, issued an order declaring the Lynch Canvassing Board the legal Board, and enjoining the Warmoth Board from canvassing or considering the returns of the election or from acting as a Board of Canvassers at all. And Mr. McEnery was enjoined, restrained and inhibited from in any manner acting or pretending to act as Governor of the State of Louisiana, and from making any pretension or asserting any claim to the office of Governor of said State by virtue of any pretended evidence of election, &c. &c. made by H. C. Warmoth, Jack Wharton, &c. &c. And the official Journal was also enjoined from publishing any official announcement of the election emanating from the Warmoth Board. This injunction was served on Governor Warmoth and the other gentlemen concerned on the 17th of November. On the 19th, Kellogg entered

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a complaint before Judge Durell that he was "advised and informed" that Warmoth and his Board were disregarding his Honor's injunction. Whereupon, on the same day, an order was issued against Warmoth & Co. to show cause why they should not be punished for contempt.

Warmoth was now between the heavy artillery of two lively courts. A brisk fire of orders and injunctions from the whiskified DURELL assailed him on one side, while on the other, the vindictive DIBBLE discharged volley after volley of the annoying missives.

The situation had become critical. But Warmoth's fund of political craft was inexhaustible. The facility with which he untied gordian knots was simply wonderful. We have seen how he got rid of Secretaries of State, Judges, Legislators, and indeed of every obstacle that obstructed his path, but people were on tip-toe of expectancy to see by what device he was going to extricate himself from the meshes of Durell's and Dibble's Courts.

WARMOTH'S MASTER-STROKE.

His Excellency was fully equal to the occasion. He out-Heroded Herod. On November 20, 1872, while his political antagonists were holding a mutual-admiration-champagne *matinee* in the office of Brother-in-law Casey, Mr. Warmoth unlocked his safe, and took therefrom an act which had been passed by the last Legislature in the expiring hours of the session, but not yet considered by him. This act abolished all previously existing canvassing or returning boards, and repealed all other election laws. It directed that five persons taken from all political parties, *should be elected by the Senate* and henceforth constitute the Board of Returning Officers for all elections in the State, and directed that the act should take effect *from and after its approval.* Governor Warmoth claimed that inasmuch as the act took effect during the vacation of the Legislature, he was authorized to appoint the board under the following provision of the Constitution of Louisiana:

ARTICLE 61.—*The Governor shall have power to fill vacancies that may happen during the recess of the Senate, by granting Commissions, which shall expire at the end of the next session thereof, &c.*

At the same time that be approved of the above named act, he issued a proclamation calling an extra session of the Legislature to convene on December 9th, 1872. It was conceded by all, that the members of the Legislature, elected at the election held on Nov. 4, preceding, were authorized to meet under this proclamation.

THE SENATE COMMITTEE'S VIEWS ON THE SITUATION.

"After this," say the Republican U. S. Senators in their report "it is difficult to see what was left of the case made by Kellogg's bill in the United States Court. Warmoth exercised the legislative power of the State, took the whole subject away from the United States Court, and on the evening of December 3d, 1872, appointed DE FERIET, WILTZ, ISABELLE, AUSTIN and TAYLOR, under the act which he had approved November 20."

Governor Warmoth, at the same time obtained an injunction from the Eighth District Court, over which Judge ELLMORE, who had been elected over DIBBLE at the previous election, presided, restraining the Lynch Board from acting any longer as such, on the ground that it had been abolished by the act of November 20, previously referred to. The Lynch Board, upon being served with their injunction from the State Court, obtained an order from Judge Durell to the State Court to remove and transfer the case to the United States Circuit Court. The State Court treated Durell's order with contempt, and as no attempt was made by the Lynch Board to enforce obedience to the order of the Federal Court, it followed as a necessary and logical sequence, that the case still remained in the State Court, and the injunction of the State Court on the Lynch Board continued in full force and effect.

THE GOVERNOR PROCLAIMS THE ELECTION OF MC ENNERY.

Warmoth once more held the field, and, as time was precious, immediately ordered the new Board of Canvassers to the front; and their Board, on December 4, 1872, made their canvas, and declared that John McEnery had been elected Governor; Penn, Lieutenant-Governor, and the other officers throughout the State named on the "fusion" ticket.

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On the same day the following proclamation was issued:

STATE OF LOUISIANA,
Executive Department.
NEW ORLEANS, December 4, 1872,

"Whereas, P. S. WILTZ, GABRIEL DE FERIET, THOMAS ISABELLE, S. A. TAYLOR and J. E. AUSTIN, RETURNING OFFICERS APPOINTED by the Governor to fill vacancies existing, in accordance with the Constitution and Laws of the State of Louisiana, have made declaration of the result of an election held November 4, 1872, and have declared certain persons elected to the Senate and House of Representatives of the State of Louisiana, as will appear from the returns herewith attached and made a part of this proclamation, and

Whereas, *such returns are compiled from the official returns of Commissioners of Election and Supervisors of Registration,* ON FILE IN THIS OFFICE, *and are in fact and in form accurate and correct, and made* IN ACCORDANCE WITH LAW.

Now, therefore, I, Henry Clay Warmoth, Governor of the State of Louisiana, do issue this my proclamation, making known the result of said election aforesaid, and command all officers and persons within the State of Louisiana to take notice and respect the same.

Given under my hand and seal of the State, this fourth day of November, A.D. 1872, and of the Independence of the United States the ninety seventh.

H. C. WARMOTH.

By the Governor,
T. A. WOODWARD,
"*Assistant Secretary of State.*"

WARMOTH, and those acting in political accord with him, regarded this as the end of the pending difficulties, and all rejoiced at the peaceable termination of what had been regarded as an interminable war of injunctions and legal proceedings which would have caused incalculable mischief to the State.

THE CONSPIRATORS ARMING—OMINOUS DISPATCH FROM GRANT'S ATTORNEY-GENERAL.

They were egregiously deceived. Whilst the "fusionists" were enjoying their triumph, KELLOGG, PACKARD, CASEY and certain high officials in Washington were skillfully laying their plans to overthrow the legitimate State government, set aside the election, and inaugurate Kellogg as Governor. And how well Judge Durell was supported in all these revolutionary and highhanded outrages will appear by reference to a few facts disclosed in the evidence taken before the U. S. Senate Committee on Privileges and Elections.

No call had been made for U. S. troops. Ostensibly everything was quiet. Not even the apprehension of a disturbance requiring the presence of the Federal soldiery, existed in the public mind. And yet, on December 3d, the same day that the Governor appointed the new Board, the following ominous and significant dispatch was ticked over the wires:

DEPARTMENT OF JUSTICE,
December 3, 1872.

S. B. PACKARD,
United States Marshal,
New Orleans, La.

YOU ARE TO ENFORCE THE DECREES AND MANDATES OF THE UNITED STATES COURTS, NO MATTER BY WHOM RESISTED, AND GENERAL EMORY WILL FURNISH YOU WITH ALL NECESSARY TROOPS FOR THAT PURPOSE.

GEO. H. WILLIAMS,
Attorney General.

Does not the sending of the above dispatch furnish pretty conclusive proof that the President and MR. WILLIAMS was cognizant of the plan of the conspirators? Otherwise why was he so auxions to place "all necessary troops" at PACKARD'S disposal? Both the President and Mr. WILLIAMS peremptorily refuse to furnish troops a few months before, when Governor WARMOTH and the Legislature demanded them. The President was not then satisfied that PINCHBACK was the legal Lieutenant-Governor, nor that there was a quorum in the senate, nor that the lower House was properly constituted. But now that nobody asked for troops—at least officially— the attorney-general hastens to assure Marshal Packard that he can have the entire United States army if he requires it!

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DURELL'S MIDNIGHT ORDER.

On the evening of December 5. just one day after Governor Warmoth had issued his proclamation promulgating the election of John McEnery and the other officers returned by the New Board of State Canvassers, Marshal Packard was summoned to Judge Durell's lodgings. The following account of this now historical event is from Marshal Packard's evidence before the Senate Committee:

"Q. Who sent for you? A. The Judge (Durell).

Q. Where was he when he sent for you? A. At his rooms.

Q. At what hour was that? A. Between 9 and 11 o'clock at night.

Q. Who did you find there with him? A. No one.

Q. Was he alone? A. I think there was one person in the room.

Q. Who was in the room? A. My recollection is, that a man named Roach was inside the room at the time.

Q. Who is he? A. He is a friend of the Judge, but has no official position.

Q. Who was outside? A. I think one of my deputies that I had sent there for preventing assassination.

Q. Did the Judge hand you the order? A. No, sir; the order was not completed when I first got there.

Q. Who drew it up? A. One or the other of them [referring to Mr. BECKWITH and Mr. BILLINGS, solicitors for Mr. Kellogg]. Perhaps both of them made it.

Q. Who is Mr. Beckwith [Kellogg's senior counsel]? A. *He is United District Attorney here.*

Q. Was it (the order) drawn by the United States District Attorney? A. No, sir; I think not; I think he suggested some things when I went around.

Q. Do you know the purpose for which Mr. Billings and the District Attorney were sent for? A. To draft the order, I suppose.

Q. Then they were to draft the order; and it was not the Judge's order? A. They were solicitors in the case, and he probably wanted to consult them as to the form.

Q. Who agreed upon the form? A. The two attorneys.

Q. Then it was the attorneys who agreed upon the order, and not the Judge? A. The particular form of the order? The Judge stated what he wanted the order to be. It was to maintain the dignity of his Court and its jurisdiction, and I don't know what all."

In justice to Mr. Beckwith, and to show how much reliance can be placed in Packard's testimony even in matters which cannot but be indifferent to him, it must be stated that Mr. Beckwith swears that when he arrived at the Judge's house, he was handed a draught of the order by Durell, and that he (Beckwith) made a few slight and unimportant changes in the phraseology. *That neither he nor any of Kellogg's counsel applied for the issuance of such an order. That the same was made on Judge Durell's own motion as far as he knew.*

THE EDICT OF USURPATION.

The celebrated order is as follows;

"*Whereas,* Henry C. Warmoth, one of the respondents herein, has, in violation of the restraining order herein, issued the following proclamation and returns of certain persons claiming to be a board of returning officers, all in violation and contempt of the same restraining order, as follows: (*Here was inserted "Governor Warmoth's Proclamation already given.*) Now, therefore, in order to prevent the further obstruction of the proceedings in this cause, and further, to prevent a violation of the orders of this court, to the imminent danger of disturbing the public peace, IT IS HEREBY ORDERED, that the Marshal of the United States for the District of Louisiana shall forthwith take possession of the building known as the Mechanics' Institute, and occupied as the State House for the assembling of the legislature therein, in the City of New Orleans, and hold the same subject to the further order of this court, and meanwhile to prevent all unlawful assemblage therein under the guise or pretext of authority claimed by virtue of pretended canvass and returns made by said pretended returning officers, in contempt and violation of said restraining order; but the Marshall is allowed to allow the ingress and egress to and from the public offices in said building, of persons entitled to the same."

"E. H. DURELL."

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"It is impossible to conceive," observe the Republican majority of the Senate Committee, "of a more irregular, illegal and in every way inexcusable act on the part of the Judge. Conceding the power *of the court* to make such an order, *the Judge out of Court* had no more authority to make it than had the Marshal. It has not even the form of judicial process. It was not sealed, nor was it signed by the clerk, *and had no more legal effect than an order issued by any private citizen.*"

ARRIVAL OF UNITED STATES TROOPS FROM FLORIDA—CAPTURE OF THE CAPITOL.

It is generally believed that when Durell signed the order, he was intoxicated. About the time that the drunken Durell was issuing his order overthrowing the State Government of Louisiana, Captain Jackson, with two companies of United States troops, was approaching New Orleans from Fort Barranca, in Pensacola Bay, Florida, which point he had left that afternoon, so that these soldiers started for the Cresent City many hours before Durell signed his order. Can any sane person doubt that the Attorney General's dispatch of December 3d, to the United States Marshal, and Captain Jackson's arrival in New Orleans just in season to be utilized by Packard, do not prove that Durell's unwarranted order was anticipated?

At two o'clock in the morning of December 16, a Deputy, Marshal supported by Captain Jackson's two batteries of artillery marched, to the Capitol of Louisiana, expelled the police who were in the charge of the building, and took possession. Two guards were stationed at the entrance, and suffered no one to enter the building except by permission of the United States Marshal, one of whose deputies was at all times present.

On the same day, at the opening of the United States Circuit Court, DURELL delivered an opinion on the application of Kellogg for an injunction to restrain WARMOUTH, MCENERY, and all other persons from interfering in any manner with the Lynch Board of Canvassers, and which injunction the Judge granted, as prayed for in Kellogg's bill.

The Republican Senators thus speak of this last order and injunction:

"*Viewed in any light in which your Committee can consider them, the orders and injunctions made and granted by Judge Durell in this cause, are most reprehensible, erroneous in point of law, and are wholly void for want of jurisdiction; and your Committee must express their sorrow and humiliation that a Judge of the United States should have proceeded in such a flagrant disregard of his duty, and have so far overstepped the limits of Federal jurisdiction,*"

DISPATCH OF CASEY TO THE PRESIDENT.

These were the opinions of Senators CARPENTER, LOGAN, ALCORN and ANTHONY. Now, mark the tone of the following telegram:

"NEW ORLEANS, December 6, 1872.

"PRESIDENT GRANT:

"Marshal Packard took possession of the State House this morning at an early hour, with military *posse*, in obedience to a mandate of the CIRCUIT COURT, to prevent illegal assemblage of persons under guise of authority of Warmoth's Returning Board, in violation of injunction of Circuit Court. Decree of the Court just rendered declares Warmoth's returning board illegal, and orders the returns of the election to be forthwith placed before the legal Board. This Board will probably soon declare the result of the election of officers of State and Legislature, which will meet in the State House with the protection of the Court. The decree was sweeping in its provisions, and if enforced will save *the Republican majority, and give Louisiana a Republican Legislature and State Government,* and check Warmoth in his usurpations. Warmoth's Democratic supporters are becoming disgusted with him and charging that his usurpations are ruining their cause.

JAS. F. CASEY."

The next dispatches are as follows, and tell their own story:

[*Telegram.*]

"NEW ORLEANS, December, 6th 1872.

"Attorney-General WILLIAMS,

"*Washington, D. C.*

"Returning Board, provided by Act of seventy (1870), under which election was held and which United States Court sustains, promulgated, in official journal this morning, result of election of Legislature: House stands seventy-seven Repub-

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licans, thirty-two Democratic; Senate, twenty-eight Republicans, eight Democratic. Board counted ballots attached to affidavits of colored persons wrongfully prevented from voting, filed with Chief Supervisor.

"S. B. PACKARD,
"United States Marshal.

[*Telegram.*]

"NEW ORLEANS, December 9, 1872.

"Hon. GEO. H. WILLIAMS,
"*Attorney-General, Washington, D. C.*

"Returning Board has officially promulgated in official journal this morning, the result of the election for State officers—Kellogg's majority, 18,861.

"S. B. PACKARD,
"United States Marshal."

THE KIND OF RETURNS BEFORE THE LYNCH BOARD.

The Returning Board, referred to by Mr. Packard, is the Lynch Board, *which never had an official return before it, as Lynch himself admitted* in the following testimony:

Mr. LYNCH. We took all the evidence we had before us and our knowledge of the parishes and their political complexion, and then we decided.

Senator CARPENTER. You estimated it, then, upon the basis of what you thought the vote ought to have been.

"Mr. LYNCH. YES SIR, THAT WAS JUST THE FACT, and I think on the whole, we were pretty correect."

Upon cross-examination it transpired that much of what LYNCH called evidence consisted of newspaper reports, letters *and forged affidavits.*

A few more dispatches are now in order.

[*Telegram.*]

NEW ORLEANS, December 9, 1872

"Hon. GEO. H. WILLIAMS, *Attorney-General.*

"Governor Warmoth has been impeached by a vote of 58 to 6. Warmoth's Legislature returned by his Board, has made no pretense of a session.

"S. B. PACKARD,
"United States Marshal."

[*Telegram.*]

"New Orleans, December 9, 1872

"Hon. GEO. H. WILLIAMS, *Attorney-General.*

"Senate, by vote of seventeen to five, have resolved into High Court of Impeachment. Senator Harris elected president of the Senate, Lieutenant-Governor Pinchback being now Governor.

"S. B. PACKARD,
United States Marshal."

[*Telegram.*]

"New Orleans, December 6, 1872

"Hon. GEO. H. WILLIAMS, *Attorney-General.*

"Lieutenant-Governor Pinchback qualified and took possession of the Governor's office to-night. Senate organized as High Court of Impeachment, Chief Justice Ludeling presiding, and adjourned to meet Monday next. It is believed that all the Democrats, Members of General Assembly, will qualify and take seats to-morrow.

"S. B. PACKARD,
"United States Marshal."

A BOGUS LEGISLATURE,—BRIBE-TAKER PINCHBACK BECOMES GOVERNOR.

The United States soldiery guarded all the doors to the Capitol on December 9, the day that the Governor had designated for the meeting of the New Legislature in extra session, and no one was permitted to enter the chambers of either branch unless he had been returned by the bogus Lynch Board. The impeachment of the Governor was done within a few minutes after having organized, and that, too,

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in disregard of a statute of the State, which provides that the officer sought to be impeached, shall be first summoned before a Committee of the lower House ; shall have permission to cross-examine witnesses that are brought against him ; shall only be liable to impeachment in the event of the committee reporting in favor thereof, and if the committee report adversely thereto, shall be acquitted without further action on the part of the House. No such proceedings were had in this case. The resolutions of impeachment were hurried through without being half read. Having impeached the Governor, this sham legislature, that had the audacity to pretend to represent the majority of the people of Louisiana, and which was holding its sessions only by the grace of federal bayonets, next passed a joint resolution supplicating the President of the United States by telegraph, to send on more troops for their protection, and Pinchback's first official act was to telegraph the President the following dispatch :

"NEW ORLEANS, December 9th, 1872.

PRESIDENT GRANT :

"Having taken the oath of office, and being in the possession of the gubernatorial office, in devolves upon me to urge the necessity of a favorable consideration of the request of the General Assembly, as conveyed in the concurrent resolution of this day, telegraphed to you, requesting the protection of the United States Government. Be pleased to send necessary orders to General Emory. This seems to me a necessary measure of precaution, although all is quiet here.

"P. B. S. PINCHBACK,
"Lieutenant Governor, Acting Governor of Louisiana."

TROOPS! TROOPS! TROOPS! FOR THE CARPET-BAGGERS.

And again, two days later, this time to the Attorney-General, who seems to have been the guardian angel of the usurpers:

[*Telegram.*]

"NEW ORLEANS, December 11, 1872.

"Hon. GEO. H. WILLIAMS, *Attorney-General:*

"I have the honor to acknowledge the receipt of your dispatch. May I suggest that the commanding general be authorized to furnish troops upon my requisition upon him for the protection of the Legislature and the gubernatorial office? *The moral effect would be great,* and in my judgment tend greatly to allay any trouble likely to grow out of the recent inflammatory proclamation of Warmoth. I beg you to believe that I will act in all things with discretion.

"P. B. S. PINCHBACK,
"*Lieut.-Gov., Acting Governor.*"

On the same day Collector Casey joined the petitioners for more troops, and telegraphed his brother-in-law as follows :

"NEW ORLEANS, December 11, 1872.

"President GRANT:

"Parties interested in the success of the Democratic party, particularly the *New Orleans Times,* are making desperate efforts to array the people against us. Old citizens are dragooned into an opposition they do not feel, and pressure is hourly growing; our members are poor, and adversaries are rich, and offers are made that are difficult for them to withstand. There is danger that they will break our quorum. The delay in placing troops at disposal of Governor Pinchback, in accordance with joint resolution of Monday, is disheartening our friends and cheering our enemies. If requisition of Legislature is complied with, all difficulty will be dissipated, *the party saved,* and everything go on smoothly. If this is done, the tide will be turned at once in our favor. The real underlying sentiment is with us, if it can but be encouraged. Governor Pinchback is acting with great discretion, as is the Legislature, and they will so continue.

"JAS. F. CASEY,
Collector."

The usurpers were evidently in great danger of falling to pieces on this same Dec. 11th, if we may judge by the dismal and tearful tenor of their frequent dispatches to Washington. All this time, it must be remembered, the State House *continued, as it did for several weeks later* in charge of Captain Jackson's two batteries of U. S. Artillery. But this was not enough. The following is a frantic appeal from the usurper Kellogg:

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[*Telegram.*]

"NEW ORLEANS, Dec. 11. 1272.

HON. GEO. WILLIAMS (he was in such a hurry that he omitted the H. which is Mr. Williams' central initial).

"If President in some way indicate recognition Governor Pinchback and Legislature, it would settle everything. Our friends here acting discreetly."

"W. P. KELLOGG."

And another from Casey to his brother-in-law:

[*Telegram.*]

"NEW ORLEANS, December 11, 1872.

PRESIDENT GRANT:

Democratic members of legislature taken their seats. Most, if not all, will do so in next few days. Important that you immediately recognize Governor Pinchback's legislature in some manner, either by instructing General Emory to comply with any requisition by Governor Pinchback, under joint resolution of legislature of Monday or otherwise. This would quiet matters much. I earnestly urge this and ask a reply.

"JAMES F. CASEY."

NO SAFETY FOR THE CARPET BAGGERS WITHOUT FEDERAL TROOPS.

On the 12th Mr. Casey telegraphs the following account of the condition of affairs to the President:

NEW ORLEANS, December 12, 1872.

"PRESIDENT GRANT:

"The condition of affairs is this: The *United States Circuit Court*, has decided which is the legal board of canvassers. Upon the basis of that decision a legislature has been organized in strict conformity with the laws of the State. Warmoth was impeached, and thus Pinchback, as provided by the Constitution, became acting governor, The Chief Justice of the Supreme Court organized the Senate into a Court of Impeachment, and Associate-Justice Tallafiero administered oath to Governor Pinchback. The legislature, fully organized, has proceeded in regular routine of business since Monday. Nothwithstanding this Warmoth has organized a pretended Legislature, and it is proceeding with pretended legislation. A conflict between these two organizations may at any time occur. A conflict may occur at any hour, and in my opinion there is no safety for the legal government, without the Federal troops are given in compliance with the requisition of the legislature *The Supreme Court is known to be in sympathy with the Republican State Government* If a decided recognition of Governor Pinchback and the legal legislature were made, in my judgment it would settle the whole matter. General Longstreet has been appointed by Governor Pinchback as Adjutant-General of State militia.

"JAMES F. CASEY."

In reply to these frantic appeals of the terrified usurpers, the Attorney-General answered.

[*Telegram.*]

"DEPARTMENT OF JUSTICE,
December 12, 1872.

"Acting Governor PINCHBACK;

"Let it be understood that you are recognized by the President as the lawful Executor of Louisiana, and that the body assembled at Mechanics' Institute is the lawful legislature of the State, and it is suggested that you make proclamation to that effect, and also that all necessary assistance will be given to you, and the legislature herein recognized to protect the State from disorder and violence.

"GEO. H. WILLIAMS,
Attorney General."

APPEALS FOR FAIR PLAY WHICH WERE DISREGARDED.

The following telegrams were at the same time sent to the President by the friends of the State Government which was being subverted:

NEW YORK December, 11, 1872.

"THE PRESIDENT OF THE UNITED STATES:

"Under an order from the Judge of the United States District Court investing James Longstreet, Jacob Hawkins and others, with the powers and duties of re-

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turning officers under State election law, and charging them with the duty of completing the legal returns and declaring the result in accordance therewith, those persons have promulgated results, based upon no returns whatever, and no evidence except *ex parte* statements. They have constructed a pretended general assembly, composed mainly of candidates defeated at the election, and those candidates protected by United States military forces have taken possession of the State House, and have organized a pretended legislature, which to-day, has passed pretended articles of impeachment against the Governor in pursuance of which the person claiming to be a lieutenant-governor, *but whose term had expired*, proclaimed himself acting governor, broke into the Executive Office under the protection of United States soldiers, and took possession of the archives. In the meantime the General Assembly has met at the City Hall and organized for business with sixty members in the House, and twenty-one in the Senate, being more than a quorum of both sides. I ask and believe that no violent action be taken, and no force used by the Government, at least until the Supreme Court shall have passed final judgment on the case. A full statement of the facts will be laid before you and the Congress, in a few days.

"H. C. WARMOTH,
Governor of Louisiana."

[*Telegram.*]

"NEW ORLEANS, *December* 12, 1872.

"His Excellency U. S. GRANT,
President of the United States.

"Claiming to be Governor-elect of this State, I beg you in the name of all justice to suspend recognition of either of the dual governments now in operation here, until there can be laid before you all facts and both sides touching the legitimacy of either government. The people denying the legitimacy of Pinchback's government and its legislature, *simply ask to be heard* through committee of many of our best citizens on eve of departure for Washington, before you recognize the one or the other of said governments. I do not believe we will be condemned before we are fully heard.

"JNO. McENERY."

To these respectful appeals on behalf of the legitimate governor and people of Louisiana, asking for a hearing before a usurping Executive and Legislature should be forced upon them, the President, through the Attorney-General and the War Department, returned the subjoined answers:

A REPLY WORTHY OF THE MAN WHO COMMITTED PETTY LARCENY.

[*Telegram.*]

"DEPARTMENT OF JUSTICE,
December 13, 1862.

"Hon. JNO. MCENERY.

"Your visit with a hundred citizens will be unavailing so far as the President is concerned. His decision is made and will not be changed, and the sooner it is acquiesced in, the sooner good order and peace will be restored.

"GEO. H. WILLIAMS,
Attorney-General."

[*Telegram.*]

"WASHINGTON, *December* 14, 1872.

"General W. H. EMORY, U. S. A.
Commanding New Orleans, La.

"You may use all necessary force to preserve the peace, and will recognise the the authority of Governor Pinchback.

"By the order of the President,
"E. D. TOWNSEND,
Adjutant General."

The history of the world does not furnish a more palpable instance of usurpation than that by which Pinchback was made Governor, and the persons returned by the Lynch Board, as the Legislature of Louisiana; nor can a parallel be found for the unfeeling and despotic replies sent by order of the President to the respectful appeals of the people of Louisiana.

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And so by the power of the army was the legal Government of Louisiana overthrown. The respect of the people for the authority of the United States, even when such authority was used to sustain an illegal, corrupt and oppressive government, was such that there was no disturbance of the public peace. In January both Governors, with their respective State governments, were inaugurated, and each of the two legislatures elected a United States Senator. The McEnery Legislature appointed Mr. WILLIAM L. MCMILLEN as United States Senator, whilst the Kellogg Legislature elected JOHN RAY, the same gentleman who figures so unenviably in the first part of this narrative.

REPORT OF A REPUBLICAN COMMITTEE OF THE U. S. SENATE.

The Committee on Privileges and Elections of the United States Senate, after an impartial investigation of all the facts and circumstances, thus conclude their report :

"*And your Committee cannot refrain from expressing their astonishment that any Judge of the United States should thus* UNWARRANTABLY HAVE INTERFERED WITH A STATE GOVERNMENT, and *know no language too strong* TO EXPRESS THEIR CONDEMNATION OF SUCH A PROCEEDING. *It is the opinion of your Committee that but for the unjustifiable interference of Judge Durell,* WHOSE ORDERS WERE EXECUTED BY THE UNITED STATES TROOPS, *the canvass made by the DeFeriet board and promulgated by the Governor, declaring McEnery to have been elected Governor, and also declaring who had been elected to the Legislature, would have been acquiesced by the people, and that government would have entered quietly upon the exercise of the sovereign power of the State.* But the proceedings of JUDGE DURELL, and the support given to him by the United States troops resulted in establishing the authority *de facto* of KELLOGG and his associates in State offices, and of the persons declared by the Lynch Board to be elected to the legislature. *We have already seen that the proceedings of that Board cannot be sustained, without disregarding all the principles of law applicable to the subject, and ignoring the distinction between good faith and fraud.*

"Your committee are, therefore, led to the conclusion that, if the election held in November 1872, be not absolutely void for frauds committed therein, McEnery and his associates in state offices, and the persons certified as members of the Legislature by the De Feriet board, ought to be recognized as the legal government of the State. *Considering all the facts established before your Committee, there seems no escape from the alternative that the McEnery government must be recognized by Congress or Congress must provide for a new election.*"

A FAWNING SENATE SUSTAINS USURPATION AND REVOLUTION.—DURELL'S INFAMOUS END.

But the Senate, which has become of late years a species of tender to the White House, could not brook the idea of administering such a slap in the face to President Grant as that contemplated in the recommendations of Senators CARPENTER, LOGAN, ANTHONY and ALCORN, the majority of the Committee. But while the Senate did recognize Kellogg as Governor in obedience to President Grant's orders and in direct opposition to the report of the Committee, they did not *dare* to admit the Senator elected by the Kellogg Legislature, and they did not *want* to admit Mr. McMillen, the Senator elected by the McEnry Legislature. The Senate thus stultified itself. Because if Kellogg was legal Governor, his Legislature was the legal Legislature; and therefore the person elected Senator by that legislature, was clearly the legal Senator. To admit the *legality* of Kellogg's election was to sanction the outrages that were perpetrated, and by which alone Kellogg mounted to the governorship of Louisiana. The Republican Senate thus stands recorded as having confirmed and ratified Durell's revolutionary orders and their consequences.

Although GOVERNOR MCENERY and the State officers elected with him continued to claim, as they had a right to do, recognition as the lawfully elected government of Louisana, yet no laws were passed by their Legislature, nor did they discharge the functions of a *de facto* government.

Louisana remained with two governments, one the McEnery, *de jure,* which was recoginzed as such by the Republican Committee of the Senate, above mentioned, and the majority of the people of the State, and the other the Kellogg, *de facto,* which was recoginzed as such by President Grant his brother-in-law, collector Casey, and the White House Senate, until subsequent events changed the complexion of affairs.

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As for the drunken DURELL, the cause of all these and later evils, loathed, contemned, and deserted by the miscreants who had used him, he resigned the ermine he had so foully tainted, in order to avoid the further ignominy of impeachment. Since then he has sunk into obscurity. In history he will take his place by the side of that other Judicial monster—JEFFREYS.

PART THREE.

FROM THE SO-CALLED COLFAX MASSACRE IN APRIL, 1873, TO THE INVASION OF THE LEGISLATURE BY THE FEDERAL TROOPS, AND GENERAL SHERIDAN'S BANDITTI DISPATCH IN JANUARY, 1874.

This condition of affairs plunged the State into anarchy and confusion. Disorder reigned and the utmost bitterness of feeling between the partisans of the rival governments prevailed. Governor KELLOGG, under the shadow of Federal bayonets, commissioned officers in the various districts and parishes throughout the State. Governor MCENERY also, believing himself to be the rightful Governor, made such appointments as were required by existing laws. Thus, as previously observed, it will be seen that there were two Governors, two Legislatures, and two sets of officers throughout the entire State. The Fusion Legislature was meeting at Odd Fellows' Hall, in regular and constitutional session. The Kellogg Legislature was holding forth at the Mechanics' Institute. The Louisiana case was before Congress. Kellogg's government was maintained solely by force of Federal power, and not one, not even Senator MORTON, its chief champion and friend, had dared to call it a lawful government. Under Federal protection, KELLOGG organized an army and equipped a gunboat with which to enforce obedience to his rule. In other portions of the State, the officers and appointees of the MCENERY party were filling the offices and exercising their functions. The latter acknowledged only the authority of Gov. MCENERY. This state of feeling and disorder extended all over Louisiana, but especially in the interior parishes.

THE COLFAX MASSACRE.

This brings us now to the so-called COLFAX massacre. At the November election of 1872, Alphonse Cazabat and Columbus C. Nash had been the fusion candidates for the offices of Parish Judge and Sheriff. That election resulted in their success by large majorities. They were commissioned by Governor Warmouth during the last days of his administration, and towards the latter part of December, 1872, entered upon their official duties and discharged them up to the 25th of March, 1873. Upon the same ticket, James W. Hadnot, who was afterwards killed by the negroes at Colfax, was elected to represent Colfax in the Legislature, and had been meeting with the MCENERY body at Odd Fellows' Hall. Early in March of that year, two prominent citizens—W. R. Rutland and W. A. Richardson—were sent on a mission to New Orleans to endeavor to prevail upon Mr. Kellogg to commission the officers who had been elected by the people—that is to say, Cabazat and Nash. Had this been done, all excitement would have been relieved, and the riot and bloodshed of April fully prevented. But Mr. Kellogg had learned that bayonets were stronger than popular will—had learned to look with contempt upon the idea of local and self-government, and although he promised to commission Nash, and had gone so far as to have his commission made out, so that his appointment was announced officially in the official organ, *The New Orleans Republican*, of the 27th of March, 1873, nevertheless with that duplicity and hypocrisy which seems to be a part of his nature, he did not commission Cabazat and Nash, but commissioned, in absolute defiance of popular demand, R. C. Register, Parish Judge, and Daniel Shaw as Sheriff. It will be borne in mind that Judge Cazabat and Sheriff Nash up to that time had been in undisputed possession of their offices, and were still exercising their functions, but on the 23rd of March, Register and Shaw, Kellogg's new appointees, took forcible and violent possession of the court house at Colfax. No one resisted. There was no one to resist. That same night, for reasons best known to themselves, they began to summon armed negroes from the surrounding country into the village of Colfax. At first, Shaw, the new Sheriff, acting under the order of Register, the new Judge, pretended to summon these negroes as a Sheriff's posse. But within five or six days Shaw's authority was set at

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naught and no longer regarded, and he was himself detained at Colfax where he was virtually a prisoner, and when he attempted to escape was pursued and brought back under guard. Thereafter the assemblage of negroes increased in Colfax. From the 24th of March to April 13th the crowd of negroes in Colfax was variously estimated from one hundred and fifty to four hundred men. After the deposition of Sheriff Shaw's authority, the assemblage assumed a semi-military character. Captains, lieutenants, serjeants, corporals, &c., were chosen. The men were regularly enrolled into companies. One of these muster rolls, made out on the blank leaf of a court record, was found near the court house and was offered in evidence on a subsequent trial. The negroes were armed with shot guns and Enfield rifles, and, seizing upon an old steam pipe, they cut it up, and by plugging one end of it and drilling vents, they improvised and mounted three cannons. They constructed a line of earthworks some three hundred yards in length, and from two and a half to four feet high around the court house. Drilling was regularly kept up under the leadership of Captain William Ward and others. As this Captain Ward was virtually the leader of the blacks, of this improvised negro mob, we will digress for the purpose of furnishing a short sketch of him.

SKETCH OF CAPTAIN WARD.

He was a full-blooded negro, some thirty-five years of age, and at present represents the parish of Grant in the Kellogg Legislature. In his face he bears the indications of all the worst qualities of his race, and none of the better. He commanded company A, Sixth Regiment of Infantry, of the Louisiana State Militia, composed entirely of negroes. The arms which were furnished to this company were taken by the individual members and conveyed to their cabins. Ward was in the habit of convoking and running wild with them all over the parish. Men were halted and arrested at their caprice, and *one person was killed outright* for refusing to permit himself to be arrested. The scandal produced by this marauding militia company attracted the attention of General Longstreet, the Adjutant-General of Louisiana, who ordered this company and Captain Ward out of the service. But Captain Ward and his banditti refused to comply with the order, retained their arms, and continued their course of robbery, pillage and outrage, until, emboldened by their success, they endeavored to seize by force the Government of the parish, in imitation of Kellogg, and to have themselves recognized as *de facto* officials, although they were in mutiny and insubordination against the State, and should have been sent to the penitentiary for crimes and offences, among which were mutiny, riot, theft, embezzlement of State property, arson, murder, burglary and treason.

WHERE THE RESPONSIBILITY PROPERLY BELONGS.

It will thus be seen that whatever troubles subsequently ensued in that parish were occasioned by the lawless and criminal acts of Captain William Ward and his company of negro militia. It may also here be stated that Captain Ward and his lawless band killed a certain Jeff Yawn, and a Mr. Bullock, both inoffensive white citizens, in 1871. But to return to affairs at Colfax: while negroes were thus arming, the white citizens of the parish were filled with apprehension and alarm. It was proposed to hold a mass meeting of whites at Colfax, to which the colored people were invited, and an attempt was made to compromise the existing difficulties. The delegates who were chosen to represent the whites at this meeting, in view of the state of feeling that prevailed, were instructed to go unarmed, but they were prevented from doing so by the hostile attitude of the negroes in Colfax. On the day of the meeting Mr. Hadnot, with about fifteen of his neighbors, came into Colfax, but left when it was ascertained that no other white people had come to attend it, and that the town was full of armed and bitter negroes. As the party left, they were followed some distance by a crowd of armed and mounted negroes.

On the fifth of April a party of fifteen white men, armed and mounted, approached Colfax and came within a mile of the town. The negroes, two hundred in number, advanced to meet them, and began firing upon them with shot guns and Enfield rifles. The whites returned the fire with their pistols, and then retreated, pursued by the negroes.

Of this affair the great bandit, William Ward, wrote to the Reverend Jacob Johnson, under date of April sixth, "I am in command. I had a battle with the whites yesterday and repulsed them. One man was seen to fall, but got off." In the same letter he called for aid, and exhorted the "brothers to come to each others' 'sistance' as the whites does." Meanwhile affairs grew alarming. Rapine,

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riot, and outrage held undisputed sway in Colfax. The Postmaster was obliged to close the Post Office and remove the mails. The negroes drove several of the white inhabitants away amid threats and insults. They perpetrated depredations of every character.

On the night of the fourth of April, FLOWERS, a little sleek, black negro—a schoolmaster—at the head of a band of negroes broke open the house of Judge Rutland; plundered it; broke open and threw on the gallery of the house the coffin containing the body of a little child which had died; rifled the trunks and bureaus of the house; carried away all articles of value; and then with one or two of Judge Rutland's casks of wine spent the rest of the night in riot and debauch.

The house of MADAM LECOUR, the mother of a beautiful young lady, who a few months after the riot was brutally violated in the presence of her mother by five negro men, was broken open and robbed. But without following numerous individual cases, it is enough to say that about forty families of white people were compelled to leave their homes, taking their household goods with them, and to flee twenty or thirty miles into the interior for safety. In this connection it is worthy of note that of the nine men who were subsequently tried in the United States Circuit Court for participating in the so-called Colfax Massacre, four of them with their families were among the refugees, and on the day of the fight were over twenty miles away from Colfax to avoid the danger. This fact was shown by twelve or fourteen witnesses, as the record will show, and yet the three embittered and prejudiced negroes on the Jury persisted in declaring for their guilt. The white men and children who left their homes slept in the woods at night, while the armed band of negroes continued scouring the country, pillaging and robbing. They even forced peaceable negroes who were at work, under threats of instant death, to accompany them to Colfax. The evidence of a dozen witnesses before the Congressional Investigating Committee adduced this fact. The most terrible and alarming threats of murder and rapine were made by the negroes and carried to the ears of the whites, and terror, uncertainty and lawlessness prevailed from one end of the Parish to the other. Intelligence of all this was sent to Governor KELLOGG and to the United States District Attorney Beckwith, at New Orleans. The Usurper, and the United States District Attorney, and all other partisans of the Custom House clique, knew the exact condition of affairs in and around Colfax fully six days before the so-called massacre. JUDGE RUTLAND himself bore a petition to Kellogg from citizens of Grant Parish for assistance and protection. Col. R. A. HUNTER, an old and distinguished citizen of Louisiana, advised Governor Kellogg by letter of the fearful state of affairs in Grant (Colfax) Parish, and warned him that unless the authorities intervened there would be bloodshed. JUDGE RUTLAND afterwards visited MAJOR GENERAL EMORY, who commands the United States Troops in the Department of the Gulf, the same officer who upon so many occasions came to the front to protect Governor Kellogg and Collector Casey, and Marshal Packard in their usurpations—and laid before him the perilous situation of the white people in Colfax. This was on the tenth of April.

GOVERNOR KELLOGG REFUSES TO SEND AID.

There was ample time to send aid to Colfax. Why Governor Kellogg refused to send such aid will perhaps never be known, but it suffices to say *that he did not.* He had men, he had means. He was fully aware of the situation. He had many times dispatched forces to various other parishes to install his minions in office over the will of the people, but now, to save life, he could send no aid. Perhaps it was that Governor Kellogg was uncertain of his position. He knew that he and his Government were just then on trial before Congress, and from past experience he knew that tales of blood and stories of Ku-Klux outrages would arouse and inflame the passions and prejudices of the dominant party in Congress, and obscure reason and judgment, in the light of which he could not stand. And it is not doing a person of his antecedents any injustice to say that he weighed his chances for place and power in the scale of blood, and cast into his own trembling balance the lives of his fellow-beings. Like his celebrated fellow Governor in Mississippi, the notorious AMES, he doubtless thought that the lives of thirty or forty negroes at that juncture would help the Republican party.

BUT THE CRISIS AT COLFAX WAS RAPIDLY APPROACHING.

The banditti chief, WARD, Kellogg's new Judge, REGISTER, and others of their

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ilk, having fomented the trouble, having assembled the negroes, having inflamed them with speeches, having drilled and organized them, and knowing that the fatal hour was approaching, like the cowards and miscreants that they were, they quietly and secretly left Colfax for New Orleans, leaving the poor deluded, ignorant blacks, to fight their own battles as best they could. WARD, Register, and the others arrived in New Orleans on the evening of the same day that DEPUTY MARSHAL DEKLYNE and COLONEL WRIGHT, who had been ordered to proceed to Colfax, and who had actually gone on board the boat and registered to go. But upon the arrival of the bandit chief WARD and JUDGE REGISTER, the orders to DEKLYNE and WRIGHT were countermanded, and they returned ashore. This circumstance wears a very suspicious look, and certainly gives color to the charge that has been frequently made, that KELLOGG and his gang were apprised of the approaching collision between the whites and the blacks at Colfax. In Kellogg's official organ, the *Republican*, of the 12th of April, the day before the fight at Colfax, the following article appeared:

"There is one thing apparent. *The local majority of Grant Parish* (referring to the negroes) is prepared to clean out the *local minority of Grant in twenty-four hours or less if not prevented. In Grant Parish* it seems *there is a local majority of colored men not only accustomed to the trade of war,* BUT THEY KEEP ARMS OF THE MOST PERFECT CHARACTER."

Another article, of the same date, contained the following:

"According to the last report from the scene of conflict, the difficulties in Colfax Parish seem to have been more serious than is believed. *The colored population seemed to have reached a high height of exasperation and resolved to obtain a redress of the wrongs they had suffered, or believed they had suffered,* and not to disband until they had obtained guarantees for the future. *According to statements most worthy of belief* THEY ARE WELL ARMED, WELL DISCIPLINED, AND CONFIDENT OF SUCCESS. *The provocation which has driven them to that attitude is not very clear—at least we have heard nothing to justify it.* THE NEGROES, NOT EVEN THE FIELD HANDS, ARE NO LONGER THE WEAK AND SIMPLE CREATURES THEY WERE BEFORE THE WAR. *The years of freedom which they have enjoyed have had their effect on them,* AS WELL AS THE MILITARY EDUCATION WHICH MANY OF THEM HAD RECEIVED IN THE UNITED STATES ARMY. *The time is past, if ever it existed, when a handful of whites could frighten a regiment of colored men.*"

Such were the cold-blooded utterances of Kellogg's mouth-piece. They could only spring from a full knowledge of the situation in Colfax. Did Kellogg and his partisans make the slightest attempt to protect "the handful of whites" in Colfax from "a regiment of colored men?" No; the miserable lives of the carpet-bag Governments of the South, and the Republican party of the North, have been fed and sustained by stories such as would be sure to be told and believed of this Colfax affair. In the conflict that was about to take place in Colfax, Kellogg knew that he would be the gainer. If the negroes were vanquished and blood was shed, each red drop would be coined into a mintage of new political capital, and the whites be tried, punished forsooth, and their action held up as proof of the "lingering feeling of rebellion and treason" in the hearts and minds of the people of the South, calling for more reconstruction, more hostile laws, more bloody codes, a larger lease of life for carpet-bag Governments in Southern States. If, on the other hand, the whites vanquished the blacks, neither Kellogg nor the Republican party would lose anything but a few Democratic votes, at best.

Kellogg's relations to the mutinous blacks at Colfax were similar to those of the wily knave *Iago* toward *Roderigo:*

> "Whether he kills Cassio,
> Or Cassio him, or each do kill the other,
> Every way makes my gain."

THE CONFLICT BETWEEN THE WHITES AND THE MUTINOUS BLACKS.

During the week prior to April 13th, SHERIFF NASH, the duly elected, commissioned and acting Sheriff of Grant Parish, of which Colfax was the county seat, was busy summoning a *posse* of men to retake the Court House, and to put down the lawlessness that had filled the parish with terror and alarm. On Easter Sunday, April 13th, he found himself at the head of about 150 armed men, four miles northwest of Colfax. Advancing upon the place, he halted at a distance of twelve

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hundred yards from Colfax. Besides his *posse* of mounted men, he had a small piece of artillery mounted on wagon-wheels, and for which he had obtained some oblong slugs of iron. Halting his men, he advanced to the quarters of the emboldened negroes, under a flag of truce, and asked a colored man, John Miles, he there met, who was in command. "Lev. Allen is in command," was the reply. Sheriff Nash then said, "Go and tell Lev. to come here; that I want to see him." Miles obeyed, and soon Lev. Allen and a few other negroes came out to where Nash was. From the testimony of Miles, we learn that Allen acknowledged he was in command; that Nash told him he had come to retake the Court House; that he had force enough to accomplish it; and advised him that he had better disperse his men, and assured him that none of them would be molested. Allen peremptorily refused to disperse his men, and informed NASH that he and his men intended to fight to the last.

Nash then told him to remove all the women and children, and that half an hour would be granted for that purpose, and he and Allen separated; the former returned to his men, and the latter ordered the women and children to leave the quarters, and the town of Colfax.

Up to this hour, every effort at pacification had been made, and each time the advance had been made by the whites: and now, in the very hour that preceded the conflict, the whole of the white people had sought, under a flag of truce, to prevent the shedding of blood. About noon SHERIFF NASH advanced his line to within one hundred yards of the Court House. The negroes at once opened fire upon this force from the two pieces of improvised cannon which had been posted there. The whites returned the fire with similar arms, and the negroes shortly after retreated to within their line of works near the Court House, and, lying down behind them, kept up a breast fire with their shot guns, rifles and pistols. The whites fired several shots from their cannons, which seemed to have done no harm whatever. The fire continued uninterruptedly two hours, when, about two P. M., the force under NASH having secured a position for their cannon, which commanded the inside of the line of works, fired upon the negroes, who, finding their position untenable, retreated in all directions. Perhaps one hundred and fifty retreated into the woods and fields, and about one hundred took refuge in the Court House. SHERIFF NASH then fired upon that building, and one or two shots seem to have struck its walls without material damage.

NEGRO VIOLATION OF A FLAG OF TRUCE.

Up to this time, remarkable to assert, no blood had been shed. At this juncture, however, the Court House was set on fire. It is doubtful as to how the fire originated. Some of the negro witnesses testified that it was fired by combustible matter projected from the cannon, while others assert that it was fired by a negro prisoner who had been sent on purpose by the whites. At all events, the building was wrapped in flames, when two white flags were displayed from the windows. Instantly the firing ceased. MR. JAMES W. HADNOT and MR. HARRIS, unarmed, and with hands raised to show that they were unarmed, approached the Court House, calling upon the negroes to throw down their arms and that they would not be troubled. Approaching to within ten or fifteen feet of the Court House, these gentlemen were met by a volley from the negroes (who by this time were coming out of the burning building), and both fell, mortally wounded. The whites, exasperated beyond endurance at the cowardly and treacherous murder of their comrades, thus allured to their death by the flag of truce held out by the negroes, closed upon them and slaughtered a large majority of them. The Court House was entirely destroyed, together with its books and records. Sixty-four negroes were killed and wounded. The loss of the whites was four wounded and three killed. This is the story, and the true story of the Colfax massacre, President Grant and other slanderers of the Southern people to the contrary. That excesses were committed in the heat of the conflict by the outraged and exasperated whites there can be no doubt, and none will attempt to palliate them, but let it be remembered that the whites had applied for aid; that none came; that they tried four times to avoid bloodshed, and without avail; that their families were fleeing in terror from their homes; that rapine and pillage and lawlessness held high revel, and made their lives, their property, and all they held dear, totally insecure. And, finally, let it be remembered that in the midst of the fighting they saw two prominent citizens,—their comrades,—go upon an errand of peace; summoned by flags of truce displayed by negroes; unarmed and

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with words of peace upon their lips ;—shot down, killed by the very persons they wished to save, and by the very hands that held the white flags of peace.

The usurper Kellogg deserves the scorn and contempt of all men for the false and craven part he played in this bloody drama. He knew there would be trouble. He had ample means at his command to prevent it; he had a gunboat that could have reached Colfax in a comparatively short period of time. He also had a brigade of troops, of which he was commander, in New Orleans, and he had four full days' warning, within which he could have marched to Colfax. If it had been election time, and he had been informed that there was danger of the whites obtaining a majority against the Republican ticket in Colfax, there can be no doubt, judging of his previous course in like instances, that he would have instantly sent either a horde of Packard's marshals, or a company of United States troops, or both, to the spot to protect the interests of the Republican party. But as, according to his newspaper organ, only the lives of a handful of whites were at stake, it was hardly worth while to bother about it. Yet even admitting, for the sake of argument, that the whites were the real aggressors, is it fair to hold the people of Louisiana responsible for every life that is lost in the State in political brawls ? They are no more responsible therefor than the people of Pennsylvania are responsible for the terrible Molly Maguire assassinations. Then again, ought they to be held to an accountability for crimes committed in their midst, which *they* have not the power to prevent. If the people of Louisiana were permitted to wield the powers of their own government, and failed to use those powers for the purpose of suppressing lawlessness and punishing crimes, then they would certainly be deserving of the severest condemnation. But as the machinery of their Government has been wrested from them, it is difficult to see upon what principle they can be held responsible for a failure to ferret out and arraign criminals at the bar of JUSTICE !

POLITICAL MURDERS.

On the subject of political murders, so-called, the grossest falsehoods are daily fabricated and sent broadcast throughout the country. The air continues to be filled with them by the Kellogg officials. Indeed, it is the capital by which they aim to elicit the sympathy of the North, and aid in perpetuating their own larcenies and usurpations. An examination and close scrutiny of the testimony taken before the Congressional Committee of 1874 and 1875 will satisfy any impartial mind that at least nine-tenths of these stories are without any just foundation. The recklessness and disregard of the common decencies and proprieties of life with which some officers of the army, such as the notorious MAJOR MERRILL, have gotten up these atrocious fabrications and sent them to the world with their official sanction, thus aiming to bolster up the monstrous usurpation that now, uncontrolled, dominates over the people of LOUISIANA, should be strongly condemned. They have neither witnessed any of these acts, nor taken any testimony in regard thereto, but have recklessly and unscrupulously covered up the slanders with which the usurpers have poisoned the air, and hoped to give them credit by their official promulgation. The cause of the so-called "Colfax massacre," above narrated, bears out the truthfulness of what is asserted. Those who have not carefully examined, or read truthful accounts of this Colfax affair, have doubtless regarded it as a repetition of "St Bartholomew's massacre," and of those other sanguinary events in history which stand as monuments of blood to the barbarity of man; whereas the testimony before us shows that the blacks themselves were the real aggressors, and that Kellogg and his partisans in New Orleans believed in the ample ability of the blacks to overcome the handful of whites at Colfax.

The article in the *New Orleans Republican*, Kellogg's organ, extracts from which appear above, conclusively sustains this statement of the case. In a great majority of instances the murderers and the victims were alike negroes. Indeed the cases in which negroes were assaulted or killed by negroes were so frequent and common as to have scarcely attracted attention outside of the immediate circle of the victims.

While the Committee of the House of Representatives was in New Orleans investigating the Louisiana difficulties in 1874, two negro Republicans, both high Kellogg officials, had a drunken quarrel at midnight in a drinking saloon, and one, *the Assistant Secretary of State*, was instantly killed ; and yet this homicide, although occurring in such distinguished political circles, elicited no special attention and was scarcely the subject of a passing remark. If the man killing

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this high public functionary had been a white man, and a Democrat, it is needless to aver that the event would have been heralded all over the country as another evidence of the barbarity, cruelty, intolerance and disloyalty of the white people of the South, and it would doubtless have found its place in long and high-wrought sentences in the pages of a Congressional report.

KELLOGG'S ADMINISTRATION.

After disposing of these so-called massacres and political murders, which may answer very well for inflammatory campaign pamphlets, but are not regarded as valuable material from which to gather the truth that ought to compose history, we will now proceed to review other portions of Kellogg's administration. We have seen how he was inducted into office by the orders of the drunken and corrupt Judge Durell, and the United States Army. And one would naturally suppose that a man who held his position merely by physical force would have aimed, at least, as a matter of policy, to gain the respect and good will of the oppressed people of Louisiana by endeavoring to correct abuses, curtail expenditures, and establish long needed reforms. But no, Kellogg was even more despotic, more venal, and more avaricious than Governor Warmoth. The conspiracy that began under Warmoth, to perpetuate the power of the carpet-baggers, regardless of the will of the people as expressed at the polls, continued with unabated vigor, under Kellogg. The character of the legislation which was enacted during the first two years of Kellogg's administration carries upon its face the patent purpose of accomplishing this object. We will briefly refer to some of the most vicious of these laws.

FIRST.—The registration and election laws retained their most infamous features, and the whole machinery of registration and election remained as before, under the control of partisan officials, so that by corrupt exercise of the extraordinary powers conferred upon them they shaped and perverted the results to suit their will.

SECOND.—*The Returning Board Law* still confers powers which are alone sufficient to perpetuate the domination of the Kellogg party forever.

THIRD.—*The Political Court*, established by Warmoth, for the purpose of controlling the cases arising from contested elections, etc., and over which he placed one of his tools, was abolished, but only to make room for an instrument of Kellogg's. This was brought about in the following manner: At the election of 1872, Wm. C. Elmore, a gentleman of probity and character, was elected and returned by both the conflicting Canvassing Boards, but as Judge Elmore was opposed to Kellogg, the Kellogg Legislature abolished Judge Elmore's Court by changing its name, and provided that the Judge of the new Court should be appointed by Governor Kellogg to hold his office until the general election in 1876. When at the election of 1876, if the Conservatives shall elect a Judge of this Court, it is not improbable, if the Legislature is Republican, that the Court will be abolished again and a new one created under a new name, in order that another Judge, who will be a tool of the carpet-baggers, may be appointed, as in the case of Judge Elmore above recited.

FOURTH.—*The law which regulated proceedings in contests between persons claiming judicial office* provided that the Commission by the Governor, issued to any person as a Judge of any Court in the State, was to be considered *prima facie* proof of the right to hold and exercise such office *immediately*, and if any incumbent refused to vacate, the person so commissioned by Kellogg, had the right to proceed by rule returnable in twenty-four hours, which was to be tried immediately and *without jury* by preference over all other business. It became the duty of the Court to render judgment the same day, and an appeal was to be taken within three days after judgment, returnable in the Supreme Court in five days, and there to be tried immediately by preference over all other cases. With such hot haste were the most important cases that can arise for judicial determination to be rushed through the Courts.

FIFTH.—*It was made a crime to assume or pretend to be an officer of the State, Executive, Judicial, or Legislative branch of the government without the authority of the Returning Board.*

SIXTH.—*After absorbing all the civil judicial powers of a political character*, the Kellog party next *seized control of the criminal courts* by creating a new Court, presided

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over by an appointee of Kellogg, and in addition to its high criminal jurisdiction vested it with exclusive jurisdiction of all violations of the election and registration laws of the State and offenses thereunder, of all offenses against officers of the State, and Municipal officers as such, of offenses under laws which comprise everything remotely affecting the political power of the State.

SEVENTH.—The Legislature having thus given the Governor the selection of the Judge in the criminal cases, it *only remained to give him control of the juries.* So, abolishing former laws on that subject, the Governor was empowered to appoint two jury commissioners to hold their offices at the pleasure of the Governor, and these commissioners were invested with the *full control of drawing all juries for the criminal courts of New Orleans.*

EIGHTH.—As *the rate of taxation was beyond the ability of the people to pay,* and as the chief end of such a government is to collect money, it was deemed necessary to impose extraordinary penalties on delinquent tax-payers, especially as the tax-payers were all political enemies of the usurper, and therefore entitled to no money. Hence, the Legislature enacted that on failure to pay taxes under thirty days from the time when they became due, "*Such delinquent tax-payer shall forfeit his right to bring suit, or to be a witness for or in his own behalf, and every court having jurisdiction within the State shall deny and refuse to issue a civil process of any kind or nature for his own benefit, until he shall procure a certificate that all his delinquent taxes and costs thereon have been paid.*" As might have been expected, this clause was declared unconstitutional by the courts: But it is sufficient evidence of both malignity and ignorance that it was passed by the Legislature and signed by Governor Kellogg.

NINTH.—*The Metropolitan police* was and is the police of the city of New Orleans, paid exclusively by that city, and employed for the purpose of policing the metropolis of New Orleans; but the legislature having, by the passage of the outrageous laws above enumerated, deprived the conservative people of the State of all possible redress in the courts or at the polls, it became necessary to guard against possible forcible resistance, and hence Kellogg's Legislature passed a law which was entitled "*An Act authorizing the muster of the Metropolitan police as a part of the militia of the State*" by which *the police of the city of New Orleans was transformed into a virtually standing army increased to three thousand men,* placed under the supreme command of the Governor, who was *specially authorized to order them on military duty in any part of the State.* In this connection, attention is directed to the clause in the general appropriation bill of 1874, wherein the appropriation for the maintenance of the militia (an organization entirely distinct from the police force of New Orleans) WAS UNLIMITED.

TENTH.—*Under the thirty-fourth article of the Constitution of the State,* which provides that "each house of the general assembly shall judge of the qualifications, election and returns of its members," there remained, it was thought, one hope of possible escape from the net work of tyranny that had been so adroitly woven, around the people of the State, but the Kellogg Legislature, with the deliberate intent of defeating even this last resort, placed the organization of the House of Representatives under the control of the partisan clerk of the outgoing House and provided in effect: "that no members should participate in such organization *except those returned elected by the returning board,*" and thus the right of representation in the General Assembly of the State, falling in the train of every other political right of the people, passed under the yoke of a partisan, unscrupulous and subservient returning board.

These were the laws enacted by the usurpers, Kellogg and his Legislature. Even a usurping government has sometimes presented claims to recognition and support by wise administration: has sometimes commanded and enforced obedience by strength and vigor; but a government which is a mere usurpation and is at the same time weak, corrupt, and hostile to every interest, moral and material of the government, disgraces both those who support and those who submit to it, and should be suffered to tumble into that depth of tyranny over which it has hung suspended, during the last two years, suspended by nothing but the support of President Grant and the Federal army.

A TERRIBLE FINANCIAL CONDITION—CARPET-BAG REPUDIATION.

The prevalence of a general want of confidence in the integrity of the existing State and local officials was followed by the paralyzation of business and the de-

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struction of values. The securities of Louisiana have fallen in two years under Kellogg from seventy or eighty to twenty-five per cent., and the bonds of the city of New Orleans from ninety to thirty per cent., while the fall in bank shares, railway shares, city and other corporate companies have, in a degree, suffered a corresponding decline. The Kellogg government claims to have reduced taxations, but how has this been effected? By repudiation, by passing a law allowing the debt of the State to be funded at sixty per cent of its par value—in other words, the carpet-bag legislature authorized the issuance of fifteen millions of bonds which were to be given to the holders of the old bonds of the State at the rate of sixty cents in new bonds for every dollar of the old bonds, thus filching from the creditor of the State forty per cent. of his claim.

This measure aroused great hostility, not so much because of the repudiation of forty per cent. of its sacred debt, for the payment of which the faith and honor of the State was pledged, as because it gave to the Funding Board, appointed by Kellogg, absolute and unlimited power, bestowed upon it discretionary authority to admit to be funded some *six millions of debt which was alleged to be fraudulent* and which, it was understood, was owned by Mr. Kellogg and his friends, so that, under the disguise of reducing the debt of the State, opportunity was given, and no doubt taken advantage of, to swell the fraudulent debt against the State. It is asserted that by this operation of funding the debt Kellogg and the leading carpet-baggers have made a haul of nearly *three millions of dollars.*

THE WHITE LEAGUE—A DESCRIPTION BY REPUBLICAN CONGRESSMEN.

During the Summer of 1874, in view of the approaching elections, the whites of Louisiana formed themselves into clubs for advancing the interests of their candidates; hence originated what is known in the North as "the White League." Of this organization, the report of the committee appointed by the House of Representatives at the second session, Forty-third Congress, declared: "In this connection we refer to 'the White League' mentioned "in the message of "the President. In the last campaign of Louisiana, the opposition was "composed of various elements: Democrats, Reformers, dissatisfied Republicans, and Liberal Republicans and Old Whigs; and in order to induce the "co-operation of all these elements, some of whom had refused to unite with "the organization called the Democratic, they took the name of the 'People's "party,' and had ordinary political clubs under these names, called in some localities the 'Conservative party;' in others 'the White Man's party;' in others the "'White League'; and had ordinary political clubs under these names throughout "the rural districts, which were ordinary political clubs and nothing more, "neither secret, nor armed, nor otherwise different from usual political organizations. This must not, however, be confounded from similarity of name, with "'The White League of the City of New Orleans.' That league is an organization composed of different clubs, numbering in all between twenty-five and "twenty-eight hundred; the members of it have provided arms for themselves, "and with or without arms engage in military drill. They have no uniform, and "the arms are the property of the individuals, not of the organization. They comprise a large number of reputable citizens and property-holders in the city of "New Orleans. Their purpose they declare to be simply protective, a necessity "occasioned by the existence of leagues among the blacks; by the hostility with "which the Kellogg government arrayed the blacks against the white race; by "the want of security to peaceable citizens and their families which existed for "these reasons, and because, also, of the formation of the police brigade. On the "other hand, the Republicans assert that this is an armed body of volunteers, "existing for the purpose of intimidating the blacks, and overthrowing the "Kellogg government. That it had no considerable relations outside the city of "New Orleans, or that it was in any way intended to interfere with the rights "of colored citizens *did not appear*; nor, on the other hand, did it appear that "there was any extensive secret league among the blacks of any kind."

It will be recollected that this description of "the White League" emanates frme the lips of a Republican Congressional Committee who were present in Now Orleans during those turbulous times in January, 1875, and who had ample opportunity to investigate on the ground the charges and counter charges that were exchanged between the political parties. It will also be noticed that the committee declared there was no extensive secret leagues among the blacks, thus indirectly admitting that there was a secret league among that race of moderate proportions.

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THE REVOLUTION IN NEW ORLEANS OF SEPTEMBER 14, 1874.

The affair of the 14th of September, which resulted in the overthrow of the Kellogg government by the people, is thus succinctly described by the *Republican Congressional Committee* above referred to :

"The members of the White League had purchased arms ; the police had seized "these arms *without process of law, taking them purposely from the merchants who had "sold, and from the members who had bought them.* A consignment of arms was to arrive "by the steamer *Mississippi.* The league were called out on the morning of the 14th "(September) to go and take them in a body; the police undertook to seize the arms ; "the two bodies came into collision on the wharf with the loss of several killed and "wounded. There were then hardly any Federal troops in New Orleans ; and "*the disintegration of the Kellogg party was such that before night* PENN *and his as-"sociates had only to take possession of the executive offices without a struggle. The "movement was everywhere quietly accepted by the whites throughout the State until the "Federal Government intervened, when* PENN AND HIS ASSOCIATES AT ONCE SURREN-"DERED. "*If Louisiana was a country by itself, McEnery and his associates would at once "be installed in power ; but the conservatives of Louisiana did not purpose to fight the "Federal Government. They submit not because they want to, but because they must. "Not because they proclaim any enmity against the flag ; not because free labor has "not been found practicable ; not because of any general hostility to the colored people "because colored ; but because they regard themselves as defrauded out of the election of "1872, and yet more out of this election, and because the State Government to which they "have been subjected has been, as they think, to the last degree destructive and corrupt.*"

The foregoing is the language of Republican Congressmen, after a judicially conducted investigation of the facts. After the revolution of the 14th of September, the conservatives devoted themselves assiduously to acquire a part of the negro vote. Frequent arrests by the United States Marshals for intimidations or threats of non-employment, and the apprehension that was felt that Kellogg's returning board would count out their men, if excuse for such a course was offered, all combined to put the conservatives upon their good behavior, and the result was that in November of 1874 the people of the State of Louisiana did fairly have a free, peaceable, and full registration and election, in which a clear conservative majority was elected to the Lower House of the Legislature, of which majority, however, the Kellogg party deprived them by the unjust, illegal, and arbitrary actions of the Returning Board. Of course this action of the Returning Board aroused the indignation of the more turbulent spirits among the conservatives, and but for the counsels of the more moderate leaders, it is not improbable that this last outrage, as it has since proved to be, would have been summarily punished. The conservatives knew that they had been cheated out of five members of the House of Representatives, with whom they would have had a majority in that body. But the object of Kellogg, and the Returning Board in thus fraudulently continuing a majority of their partisans in the lower branch of the Legislature, was due to the fears Kellogg entertained of impeachment in the event of his political opponents obtaining control of that body. For under the laws of Louisiana, a majority vote of the Lower House is alone sufficient to impeach a public officer, and under the operation of such impeachment, and pending its trial by the Senate, the officer affected is suspended from exercising the functions of his office. Kellogg feared that the conservative majority in the Lower House would not regard him as Governor, but would recognize Mr. McEnery as the legal Executive of Louisiana and would also recognize the McEnery Senate as the legal Senate of the State and totally ignore the Kellogg Senate. Acting upon this surmise, the carpet baggers determined to prevent, by means of their unscrupulous tools in the returning board, the existence of a conservative majority in the popular branch of the Legislature.

MEETING OF THE LEGISLATURE JANUARY 4, 1876.

A few days before the time fixed for the assembling of the Legislature, New Orleans was all excitement and disorder, and apprehension of riot and bloodshed were uppermost in people's minds. Kellogg, as usual, filled the capitol with a strong body of armed police and militiamen. He also made a requisition upon General Emory for troops, which were speedily furnished and stationed in a building not far from the State House. The Conservative members entered the hall of the House of Representatives at half-past eleven o'clock in the morning. Precisely at noon, in accordance with the law, the old clerk called the House to

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order and announced a quorum present. At this time the lobbies and that portion of the hall without the bar were thronged with Kellogg's special policemen and henchmen. The friends of the Conservatives were not permitted to enter the building, the entrances to which were guarded, and orders issued by Kellogg to admit no one except those claiming to be members of the Legislature.

As soon as the announcement was made by the old clerk that a quorum was present, a member moved that Mr. Wiltz be appointed temporary Speaker, which motion was put by this member himself and declared carried. Mr. Wiltz immediately took his seat, which was then occupied by the old clerk, and rapped the members to order. A motion for the election of a temporary clerk and a sergeant-at-arms was made and declared carried by the chair. The greatest confusion prevailed in the hall whilst the above proceedings were taking place. The Republican members were screaming and shouting at the top of their voices for recognition. Speaker Wiltz, however, paid no attention to them, and declared the House temporarily organized. A resolution to seat five members from certain parishes, whose cases had not been passed upon by the Returning Board, was declared passed, amid a thunder of yells. The House next proceeded to effect a permanent organization. There were two nominations for permanent Speaker; one was that of Mr. WILTZ, by the Conservatives, and the other was that of EX-GOVERNOR HAHN, by the Republicans. Some carpet-bag members protested against proceeding with any organization at that time, and endeavored to leave the hall. Some did leave, and rushed to Kellogg's office to ask for advice. SPEAKER WILTZ ordered the Sergeant-at-arms to prevent members from leaving the hall without permission. The roll was then called, and the result of the election for Speaker was announced by the temporary clerk: WILTZ fifty-five; HAHN two; blank one, making in all fifty-eight votes, MR. WILTZ not voting. A quorum would have been fifty-six. The five members admitted to seats voted for MR. WILTZ. Whilst the roll was being called all the members were in their seats—104 members. But some of them refused to vote. When the vote was announced MR. WILTZ took the oath of office, and subsequently administered it to the members, who came up and were sworn in four at a time. The Republican members were now rapidly leaving the hall, and the Serjeant-at-Arms, and his assistants, of which there were about ten, were unable to prevent them.

GOVERNOR KELLOGG'S ORDERS.

While these events were occurring in the hall, GOVERNOR KELLOGG was dispatching the following notes, in the order in which they appear, to GENERAL DE TROBRIAND, who commanded the United States troops in New Orleans:

"NO. 1.—*Please move your troops up to the State House. I am informed by General Campbell that there is danger of trouble in the building.*

"W. P. KELLOGG."

"NO. 2.—GEN. DE TROBRIAND, COMMANDER, &C.:

"*Please place sentinels at the entrance of the State House and aid the police from preventing a mob from going into the State House.*

"W. P. KELLOGG."

"NO. 3.—GENERAL DE TROBRIAND: *Will you please come to me a moment.*

"*Yours truly,* WM. P. KELLOGG, *Governor.*"

"NO. 4.—GENERAL DE TROBRIAND: *An illegal assembly of men having taken possession of the House of Representatives, and the police not being able to dislodge them, I respectfully request that you will immediately clear the hall and State House of all persons not returned as legal members by the Returning Board of the State.*

"WM. P. KELLOGG, *Governor.*"

It appears that after this last dispatch GENERAL DE TROBRIAND proceeded to the hall, where the greatest confusion and tumult continued. He walked to the bar of the House, unaccompanied except by one aid, whom he left there, and then alone approached the Speaker's desk. SPEAKER WILTZ told him that he desired to preserve the dignity of the House, and did not think he could do so without causing bloodshed, and that it was not his intention to go to that extremity, nor was it the intention or policy of his party nor of the people of the State, and, if the General's orders permitted him to do so, he (the Speaker), would thank him to be kind enough to say a few words *to the unruly mob composed of policemen and Republicans, that were creating so much disorder.* GENERAL

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DE TROBRIAND said nothing, bowed and withdrew. He spoke to the people in the lobby and they became quiet. Upon his descending the stairs GENERAL DE TROBRIAND received more notes from GOVERNOR KELLOGG, as follows :

January 14, 1875.

GENERAL DE TROBRIAND : *The Clerk of the House, who has in his possession the roll issued by the Secretary of State of the legal members of the House of Representatives, will point out to you those persons now in the hall of the House of Representatives returned by the legal Returning Board of the State.*

And also this other one :

January 14, 1875.

GENERAL DE TROBRIAND : *I am informed that the legal members of the House of Representatives, whose names are on the list duly returned as elected to the House of Representatives, are forcibly prevented from entering the hall of the House of Representatives. Please afford the necessary assistance to the police to effect the entrance to the hall of the House of those members entitled to admission, and exclude all persons not returned as elected,* and the Clerk of the House, MR. VIGERS, and the Sergeant-at-Arms, MR. QUINN, and his assistants.

W. P. KELLOGG, *Governor.*

And still another :

January 14, 1875.

DEAR SIR : *I have the honor to ask that you will issue orders to clear St. Louis street between Royal and Charters streets of all persons, and to keep that portion of the street clear. I am also requested that you prevent the assembling of any crowd on Royal street in the vicinity of the State House.*

Very respectfully,

TO GEN. DE TROBRIAND, &c. WM. P. KELLOGG, *Governor.*

Mr. KELLOGG was thus a sort of Generalissimo of the United States Army, *pro tempore.* He ordered GENERAL DE TROBRIAND about with as much nonchalance as though he had been his valet. Upon receipt of these instructions by GOVERNOR KELLOGG, GENERAL DE TROBRIAND re-entered the hall, followed by nearly all the Republican members who had left during the session, and advanced to within a few feet of the Speaker's desk. GENERAL DE TROBRIAND informed him that he had received certain instructions from GOVERNOR KELLOGG, which he desired should be read by the Clerk. The Clerk of the House offered to take them from the General, but the General said that he had instructions from GOVERNOR KELLOGG to recognize only MR. VIGERS, the old Clerk. SPEAKER WILTZ protested against MR. VIGERS being recognized by any one as Clerk of the House of Representatives, and informed GENERAL DE TROBRIAND that the House of Representatives was legally organized ; that it had chosen its own Clerk ; that MR. VIGERS had ceased to have any connection with it, and protested in the name of the members and in the name of the State against any such proceedings. GENERAL DE TROBRIAND then had the orders read by his adjutant, which were to the effect that the House of Representatives was in possession of a mob, and that he (KELLOGG) called upon him (DE TROBRIAND) to clear the House of all except those returned by the Returning Board as elected. GENERAL DE TROBRIAND said that he would have to execute those orders. SPEAKER WILTZ protested against his decision, and against the execution of any such orders. He informed the General that he could not permit anything of the kind ; that he owed it to the House, and the members of the House owed it to their constituents to refuse permission to an officer of the United States Army to eject any of its recognized members. The Speaker then asked the General how he was going to execute his orders. The General replied that he had four officers with him. The Speaker rejoined by saying that four officers could not eject any recognized members of the House of Representatives. The General asked if the Speaker thought it was necessary to bring in a company of soldiers. The Speaker replied in the affirmative, adding that superior force was necessary to eject any recognized member of the House. GENERAL DE TROBRIAND withdrew, and shortly afterwards appeared at the head of a company of soldiers, in the area just beyond the bar of the hall, and drew them up in line with muskets and bayonets fixed. The General then approached the Speaker's desk and asked if the presence of troops in the hall would be sufficient. SPEAKER WILTZ replied, "No, sir ! I don't believe that the members of the House of Representatives can be taken out in this manner."

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GENERAL DE TROBRIAND asked SPEAKER WILTZ and the Clerk to point out the members of the House who were not returned by the Kellogg Canvassing Board, and who were participating in the deliberations. The Speaker declined to comply with the request. The General withdrew a second time, leaving the troops in the hall to await his return. He shortly afterward appeared upon the floor with General Campbell, a chieftain of Kellogg's militia and the police. GENERAL DE TROBRIAND approached to where these members were sitting, who had not been returned by the Canvassing Board, and placing his hand upon MR. VAUGHN, an old gentlemen from Shreveport, told him that he had to leave the House, or something to that effect. MR. VAUGHN rose in his seat and, addressing the Speaker, informed him that he was a representative elected by a large majority of his people, some six or seven hundred, and that he protested against being ejected in such a manner by an officer of the United States Army, and that that officer had placed his hand upon him and was about to eject him.

EJECTION OF MR. VAUGHN—SPEAKER WILTZ FORCED TO LEAVE THE HALL.

The Speaker replied that the Chair would consider it his duty to protect him against any such ejection. MR. VAUGHN also took a firm stand and said that he would not be ejected except by superior force. GENERAL DE TROBRIAND, then sent one of his officers to bring the soldiers with their bayonets fixed within the bar. They seized Mr. VAUGHN and marched him out between files of soldiers whilst he kept loudly protesting against the outrage. GENERAL DE TROBRIAND ejected the other members in question in a similar manner, each member being led out of the hall by a file of soldiers. The old clerk, MR. VIGERS, was then compelled by GENERAL DE TROBRIAND, who had his soldiers outside the bar, to read the roll of members as made out *by the returning board.* Speaker Wiltz again protested against that conduct. He told GENERAL DE TROBRIAND that he could not and would not recognize the old clerk as having anything to do with the House of Representatives. The GENERAL replied that he had to execute his orders. The Speaker rejoined that Mr. VIGERS could not read anything there, or nobody could read anything there but the clerk of the House of Representatives. MR. VIGERS nevertheless began to read the roll. The Speaker ordered the Sergeant-at-Arms to take him away from the clerk's desk. He took him by the arm and led him down. GENERAL DE TROBRIAND, seeing that it was impossible for MR. VIGERS to read the roll, called in a file of soldiers to enforce his orders. When the soldiers entered within the bar, the Speaker having gone as far as he possibly could, entered a solemn protest against the interference of the national military, stating that he could not participate any longer in the proceedings of a body surrounded by federal bayonets. He then left the hall, followed by every member of his party. After Mr. Wiltz withdrew, EX-GOVERNOR HAHN was elected Speaker, and the carpet-baggers proceeded with the business of the Legislature to suit the wishes of the imperial Kellogg.

WERE THE DEMOCRATS ENTITLED TO A MAJORITY IN THE LOWER HOUSE? WHAT THE REPUBLICAN CONGRESSIONAL COMMITTEE DECIDED.

That the interference of the federal troops with the organization of the Legislature was without palliation or excuse, no unprejudiced or impartial mind will for a moment doubt. Admitting that the Conservatives violated established parliamentary usages and flagrantly ignored the right of their carpet-bag opponents, was that a proper occasion for the United States army to march into the very halls of legislation, and remove *by force* members whose title to office was at least a subject of controversy? Under similar circumstances would the Federal Government dare to do the same thing in Maine, Illinois, Ohio or any other Northern State? But it will be shown, and by good orthodox Republicans, too, that the conservatives were entitled to a legal majority of the members of the Lower House, of which they had been deliberately cheated by Kellogg's Returning Boards.

In the first place the Returning Board had been unlawfully constituted. The new law provides that it shall consist of five persons, from "all political parties." *It consisted of five Kellogg Republicans.* The conservatives naturally regarded this initiatory illegality as ominous of an intention to defraud them. And so it proved. The residue of the story is so much at variance with accredited reports of Louisiana outrages, that we quote *verbatim et literatim,* from the Report of "the Select Committee of the House of Representatives, on the condition of the South," presented on behalf of that Committee, by HON. GEORGE F. HOAR, Republican *of Massachusetts.*

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"The election laws of Louisiana, provide for a 'Supervisor of Registration,' "who appoints his own deputies in each ward in New Orleans, and for one 'Su- "pervisor of Registration for each parish in the State.' *These officers were all ap- "pointed by Governor Kellogg.* In addition to these supervisors, the police jurors "(the local authorities of the parishes) appointed three 'Commissioners of Elec- "tion' for each poll in the parish, and there were also, 'United States Super- "visors' appointed by the District Judge of the United States for each poll.

"The law further provided that in case of violence, intimidation or corruption, "at or near the poll, either during registration or election, as prevented "a fair, free, peaceable and full vote, the 'Commissioners of Election,' if the "occurrence was *on election day;* the 'Supervisors of Registration,' if *on the day "of registration,* should make a *full, verified statement* of the occurrence, and for- "ward the same *with* and *annexed to the returns;* and further provided that when "the Returning Board, in canvassing the returns, should come to any poll where "the returns were accompanied by such a protest, they should *not canvass, count "or compile the statement of votes* from such poll, until the statements from all the "other polls had been canvassed or compiled."

The Committee then proceed to state that the Returning Board read and became informed of the returns from the contested polls before laying them aside to take up the polls in which there was no contest, and *deferred* rendering their decision until after they had acquired knowledge of how the contested returns would affect the election. The Committee's report continues as follows:

"The election embraced but one State officer. The chief struggle was over the "election of members of the State Legislature and parish officers; and in these "elections local and personal considerations, as well as national or State politics, "entered. THE RETURNS BY THE COMMISSIONERS OF ELECTION, COMPILED AND "FORWARDED BY THE SUPERVISORS OF REGISTRATION [Kellogg's appointees, "every one of them,] *gave the Conservatives* a majority of 29 members out of a "total of 111 members. In only a few instances were there any protests "*accompanying* these returns.

"The Returning Board was in session for many weeks. As finally announced, "their findings gave, as Governor Kellogg reckoned it, 53 members to the Repub- "licans, 53 members to the Democrats, of whom, however, one was regarded as "not 'a staying Democrat.' The Board made no decision as to the remaining "five seats.

THE RETURNING BOARD CENSURED BY THE REPUBLICAN CONGRESSIONAL COMMITTEE.

"The parish of Rapides chose three members of the Legislature—the returns "elected all three Conservatives. When the proofs closed the only paper filed with "the Returning Board was the affidavit of a United States Supervisor that the "election was in all respects full, fair and free. It was not known in the parish "that any contest existed against these members. They left their homes and pro- "ceeded to New Orleans to be present at the opening of the Legislature, no in- "timation of contesting their seats or objection to their election having been "given by their opponents. At one of their last sessions the Returning Board "declared all the Republican members elected from that parish. *When the papers "of the Returning Board were produced before your committee there was found "among them an affidavit by* MR. WELLS, *the President of the Board, declaring that "intimidation had existed at certain polls in that parish, and that the returns from those "polls should therefore be rejected.* The counsel of the Democratic Committee testi- "fied that they had no opportunity to contradict the statements of this "paper; that they had never seen or heard of it before, and that upon "examination of the papers before the Board, when the proofs closed, it was "not among them. The counsel of the Republican Committee reserved the right "to make explanation on this point, but offered none. The affidavit was dated "the —— day of December, 1874. It appeared that Governor Wells was not "himself in the parish on the day of the election, and though, at the opening of "their first session, your Committee declared their intention to examine into the "action of the Returning Board, Governor Wells never came forward as a wit- "ness. At the close of our proceeding, leave was asked that his deposition might "be given in. This was declined, and Mr. Wells was himself invited to appear "before the Committee. But he never came. Leave was also given for taking "his testimony by commission if he desired, but was not availed of. *Your Com-*

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"*mittee are therefore constrained to declare that the action of the Returning Board,* "*in rejecting these returns in the parish of Rapides, and giving the seats for that* "*parish to the Republican candidates, was arbitrary, unfair, and without warrant* "*of law.*

A SAMPLE OF THE INTIMIDATION IN LOUSIANA.

"It so happens that that parish of Rapides was taken as a sample of intimida- "tion. Many witnesses from both parties were examined in reference to it; "*they show beyond question that there was a free, full, fair and peaceable election* "*and registration there.* There was no evidence of any intimidation of voters "practiced on the day of election, although it was asserted that intimidation of "colored men before election had been effected by threats of refusal to employ "them or discharge them if they voted the Republican ticket. No evidence "either of discharge or of refusal to employ was produced. Certain witnesses, "themselves every one officeholders, testified generally to such action; but hardly "any one was able to specify a single instance in which he heard of any employer "so threatening or discharging any voter, or knew of any employé being so threat- "ened or discharged. Not one single colored man throughout the entire parish "was produced to testify, either to such a threat or to the execution of such a pur- "pose, whether before or after the election.

DISFRANCHISEMENT—AN ARRAY OF ELECTION FRAUDS BY THE CARPET-BAGGERS.

"*The action of the Returning Board,*" says the report, "*in the parish of Rapides* "*alone* CHANGED THE POLITICAL COMPLEXION OF THE LOWER HOUSE, but their "action in other parishes was equally objectionable. For instance, in Iberia "parish. It was claimed before your committee that the vote of Poll No. 1 in "that parish had been rejected on account of intimidation, but the papers pro- "duced by the Clerk of the Board showed no such proof. It was then asserted "the returns were rejected because the accounts of the election were not deliv- "ered to the Supervisor of Registration within twenty-four hours after the close "of the election, which was six o'clock on the 3d day of November, whereas it "appeared that on the morning and afternoon of the 3d of November search was "made for the Supervisor of Registration for that parish, in order to deliver to "him these returns, and he was not to be found until after six o'clock; but that "as soon as he could be found on the evening of that day they were offered to "him, and again re-offered the next morning, and were refused to be received. "Yet this same Supervisor of Registration received other Republican returns "after he had refused to receive these conservative ones on the ground that they "were too late; and the Returning Board (although it had held as to other polls "in the State that the returns were not to be rejected merely because they were "sent too late) rejected the returns from this poll, thereby changing the repre- "sentation of the parish from conservative to Republican. So, in the parish of "De Soto, in which the returns showed a Conservative elected by over 1,000 ma- "jority, it was alleged that the Supervisor of Registration had brought the returns "to New Orleans, and had left them with a woman of bad character, who offered "to produce them on payment of one thousand dollars. The Conservative Commit- "tee took legal proceedings to compel their production; but the Court held that it "had no jurisdiction to that end. They then caused to be produced before the Board "the duplicate of those returns from the office of the Secretary of State, together "with the tally-sheets, poll-lists, &c., filed there according to law. These dupli- "cates corresponded exactly with the alleged result of the compiled returns which "the said woman had produced; and of these alleged facts undisputed proof was "also submitted to the Board. Nevertheless the Board refused to count the vote "for that parish.

"So in WINN PARISH, where 404 Conservative and 164 Republican votes were "cast, upon a verbal protest that the Registrar of Elections was not properly "qualified, of which the only proof was that he had failed to forward his oath of "office to the Secretary of State—although there was no pretense that the elec- "tion was not a fair representation of the will of the people—*the whole vote of the* "*Parish was rejected,* and the case referred to the Legislature. So in TERRE "BONNE PARISH, where there was a Conservative majority, it was proved that "the Commissioners of Election, through misapprehension of their duties, in- "closed all the returns in the ballot-boxes, and deposited them with the Clerk of "the Court, with whom the law required the boxes to be left. The Judge of the

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"Court thereupon issued a mandamus commanding the Clerk to take the returns "from the boxes and forward them to the Secretary of State, which was done. "Nevertheless, the Board rejected the returns from these polls, thereby giving the "parish to the Republicans, with the result of choosing a Republican Senator, "two Republican members of the Legislature, and the Republican parish "officers."

Can it be possible that the above report emanates from such orthodox Republicans as Congressman HOAR, of *Massachusetts*, Congresssman FOSTER, of *Ohio*, and Congressman WM. WALTER PHELPS, of *New Jersey?* Yes, and every word of what has been quoted will be found in REPORT No. 101, *Second Session* Forty-third Congress. This document was submitted to the House of Representatives on January 15, 1875, the testimony upon which they based their report having been taken in New Orleans, as late as the 5th of the same month. On January 13th, that is to say, but two days before, this Committee which had returned from the ground and heard the evidence of both sides, presented their report, the President of the United States sent a message to Congress upon the recent complications in Louisiana. We will now place side by side the conclusions of the Republican Congressional Committee, and of the Republican President, touching the action of Kellogg's Returning Board, in counting the votes cast at the election held in Louisiana, the preceding autumn.

LOOK HERE ON THIS PICTURE AND ON THIS.

Report of Congressman Hoar on behalf of Republican Committee on condition of the South. Jan. 15, 1875.

Without now referring to other instances, we are constrained to declare that the action of the Returning Board, on the whole was ARBITRARY, UNJUST, AND IN OUR OPINION ILLEGAL; *and that* THIS ARBITRARY, UNJUST AND ILLEGAL ACTION ALONE PREVENTED THE RETURN BY THE BOARD OF A MAJORITY OF CONSERVATIVE MEMBERS OF THE LOWER HOUSE.

President Grant's Message to Congress on Louisiana, Jan. 13, 1875.

I have no evidence, that the proceedings of this Board were not in accordance with the law under which they acted. Whether in excluding from their count certain returns, *they were right or wrong, is a question that depends upon the evidence they had before them; but it is very clear that the law gives them the power, if they choose to exercise it, of deciding that way;* and *prima facie* the persons whom they return as elected are *entitled* to the offices for which they were candidates.

And with these cold, unfeeling words the President dismisses the frauds which he must have known had been perpetrated by Kellogg's Returning Board, and by the perpetration of which the Conservatives had had their majority in the lower House stolen from them. MR. GRANT says, not one word about the illegal formation of the Board, not one word about their ARBITRARY, UNJUST and ILLEGAL ACTION. He pretends to be entirely ignorant of that fact, at any rate "he had no evidence" before him to establish the truthfulness of the allegation, but he tells Congress "that if the Board" decided to cheat, the law very clearly gave them the power to cheat, if they chose to exercise that power, then those persons "counted in" were *prima facie* entitled to the offices thus fraudulently obtained, and of course, also entitled to federal recognition and the protection of the army and navy. These are Mr. Grant's ethics. With respect to the Kellogg usurpation the President and the Committee again fail to agree.

CONGRESSMAN HOAR'S REPORT, JANUARY 15, 1875.

In the State of Louisiana there is a Governor in office who owes his seat *to the interference of the National power*, which has recognized his title to his office, *not by reason of any ascertainment of the facts by legal process*, but has based its action *solely on the illegal order of a judge.* In the same State there is a Legislature, *one branch* of which derives its authority *from the same order*, the other being organized by a majority who have been established in power *by another interference of the National Government*, and which majority derives its title, not from any legal ascertainment of the facts, but from the certificates of a Returning Board which has misconceived and exceeds its authority.

PRESIDENT GRANT'S MESSAGE, JANUARY 13, 1875.

It has been bitterly and persistently alleged that Kellogg was not elected. Whether he was or not is not altogether certain, nor is it any more certain that his competitor, McEnery, was chosen. The election was a gigantic fraud, and there are no reliable returns of its result. *Kellogg obtained possession of the office, and in my opinion has more right to it than his competitor.*

That "Kellogg obtained possession" is a sad reality, but Mr. Grant studiously omits to tell Congress *how* he obtained possession. But we have no patience with

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His Excellency. His message is one tissue either of falsehood or dissimulation throughout, and this is so transparent that no argument is necessary to prove it. The report of the Committee thus establishes the fact, in plain, clear and unambiguous language, that the entire State Government was a usurpation ; that Governor Kellogg and his Senate owe their places to federal bayonets and the illegal order of a Judge ; and that the Republican Lower House owed its existence to the frauds perpetrated by Kellogg's Returning Board, sustained by more federal bayonets.

GENERAL SHERIDAN AND THE LAW OF BLOOD AND IRON.

It was meet and proper that within the same twenty-four hours General De-Trobriand and his soldiers invaded the Legislature of Louisiana in the manner related above, that General Sheridan should have startled the country by his famous banditti dispatch. He had arrived in New Orleans but a day or two preceding the meeting of the Legislature, and the circumstances attending his presence in that city will more fully appear n the following letter to him from the Secretary of War, Belknap.

WAR DEPARTMENT,
Washington City, December 24, 1874.

GENERAL SHERIDAN, *Chicago, Illinois :*

GENERAL :—The President has sent for me this morning, and desires me to say to you, that he wishes you to visit the States of Louisiana and Mississippi, and especially New Orleans, in Louisiana ; Vicksburg and Jackson in Mississippi, and ascertain for yourself and his information, the general condition of matters in these localities. You need not confine your visit to the State of Louisiana or Mississippi, but may extend your trip to other States, Alabama, &c., if you see proper, nor need you confine your visits in the States of Louisiana or Mississippi to the cities named. What the President desires to ascertain, is the true condition of affairs and to receive such suggestions from you as you may deem advisable and judicious. Inclosed herein is an order authorizing you to assume command of the military division of the South, or any portion of that division, should you see proper to do so. It may be possible that circumstances may arise which would render this a proper course to pursue. You can, if you desire, see General McDowell, in Louisville, and make known to him, *confidentially*, the object of your trip. But this is not required of you. Communication with him by you is left entirely to your own judgment. Of course you can take with you such gentlemen of your staff as you wish, and it is best that the trip should appear to be one as much of pleasure as of business, for the fact of your presence in the localities referred to, will have, it is presumed, a beneficial effect.

The President thinks, and so do I, that a trip South might be agreeable to you, and that you might be able to obtain a great deal of information on the subject about which we desire to learn. You can make your return by Washington and make a verbal report, and also inform me from time to time of your views and conclusions.

Yours truly, &c.,
WM. W. BELKNAP, *Secretary of War.*

The inclosure referred to in the above letter read as follows :

WAR DEPARTMENT, *Adjutant General's Office.*
Washington, December 24, 1874.

LIEUTENANT-GENERAL P. H. SHERIDAN,
United States Army, Chicago, Ill. :

SIR.—If in the course of the inspection and investigation the Secretary of War has directed you to make, in his communication of this date, you should find it necessary to assume command over the military division of the South or any portion thereof, the President of the United States hereby authorizes and instructs you to take command accordingly, and to establish your head-quarters at such point as you may deem best for the interests of the public service.

I am. Sir, very respectfully,
Your obedient servant,
E. D. TOWNSEND, *Adjutant General.*

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GENERAL SHERIDAN'S COURSE IN NEW ORLEANS.

On the twenty-sixth of December General Sheridan replied to General Belknap's confidential letter in a brief telegram from Chicago, which simply read: 'Your letter received. All right. P. H. SHERIDAN, *Lieutenant-General,*" and forthwith proceeded to New Orleans. Upon his arrival in that city he was at once captured by Collector Casey, President Grant's brother-in-law, United States Marshal Packard, Judge Durell, Governor Kellogg and the other brilliant planets of the Lousiana Constellation of carpet-baggers. He was treated like a king. Choice cigars, and the best champagnes and wines that liberal discounts from Custom House salaries could afford, were laid before the gallant General in plentiful abundance. And it is well known that there are few men in the United States who take more naturally to cigars or liquors than the present Lieutenant-General of the Army. In the course of forty-eight hours after reaching New Orleans General Sheridan had accomplished more than several Committees of Congress had been able to achieve in many years. In two short days he had become a perfect and thorough master of the conflicting Louisiana question. Whisky is wonderfully well calculated to enlarge the brains of some men, and Sheridan became so well informed about Louisiana matters that at midnight of the fourth of January, only a few hours after GENERAL DE TROBRIAND and his soldiers had organized the Legislature in the interest of the carpet-baggers, GENERAL SHERIDAN dispatched the following telegram to the Secretary of War:

W. W. BELKNAP, *Secretary of War,*
Washington, D. C.:

It is with deep regret that I have to announce to you the existence in this State of a spirit of defiance to lawful authority and an insecurity of life which is hardly realized by the general government or the country at large. The lives of citizens have become so jeopardized, that unless something is done to give protection to the people, all security usually afforded by law will be overridden. Defiance to the laws, and the murder of individuals seems to be looked upon by the community here from a standpoint which gives impunity to all who choose to indulge in either, and the civil government appears powerless to punish or even arrest. I have to-night assumed control over the Department of the Gulf.

P. H. SHERIDAN, *Lieut.-General U. S. Army.*

The War Department replied to the above telegram as follows:

WAR DEPARTMENT,
Adjutant General's Office, January 5, 1875.

To LIEUTENANT GENERAL SHERIDAN,
United States Army—New Orleans:

Your telegram dated the fourth of December, declaring the state of things and reporting you have assumed control over the Department of the Gulf, was received by the Secretary of War and *is approved.*

E. D. TOWNSEND, *Adjutant-General.*

From the report made to the House of Representatives by Congressman HOAR, the reader has observed that "the White League" is therein described, as "*comprisin a large number of reputable citizens and property holders in the City of New Orleans,* and that "*they declare their principles to be simply protective; a necessity occasioned by the existence of leagues among the blacks, and by the want of security to peaceable citizens and their families.*

It was well known in the North that the State of Louisiana had long been in a disturbed condition. That civil brawls had been frequent but not of a character which placed them beyond the reach of civil law. It was also established that party feeling ran very high, particularly in New Orleans, and in view of the fact that the people ousted the Kellogg Government a few months previous because they believed it had not been fairly elected and was dishonest and corrupt, a violent outbreak would not have been astonishing at any moment. But the country was altogether unprepared for the terrible shock it experienced on the publication of the two following dispatches from GENERAL SHERIDAN to the Secretary of War:

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NEW ORLEANS, *Jan.* 5, 1875.

HON. W. W. BELKNAP,
Secretary of War, Washington, D. C.:

"Please say to the President that he need not give himself any uneasiness about the condition of affairs here. I will preserve the peace, which is not hard to do with the naval and military forces in and about the city, and if Congress will declare the White Leagues, and other similar organizations, white or black, "BANDITTI," I will relieve it from the necessity of any special legislation for the preservation of peace and the equality of rights in the States of Louisiana, Mississippi, Arkansas, and the Executive from much of the trouble heretofore had in this section of the country.

P. H. SHERIDAN, *Lieut.-General U. S. A.*

And on the same day the following, which may be considered as bearing the relation of a twin brother to the preceding:

NEW ORLEANS, *Jan.* 5, 1875.

Hon. W. W. BELKNAP,
Secretary of War, Washington, D C.:

"I think that the *terrorism* now existing in Louisiana, Mississippi, and Arkansas, *could be entirely removed,* and *confidence* and *fair dealing established by the arrest and trial of the ringleaders of the armed white leagues.* If Congress would pass a bill declaring them BANDITTI, they could be tried by a military commission. The ringleaders of this BANDITTI, who murdered men here on the fourteenth of last September, and also more recently at Vicksburg, Miss., should, in justice to law and order and the peace and prosperity of this Southern part of the country, be punished. *It is possible that if the President would issue a Proclamation declaring them* BANDITTI, *no further action need be taken except that which would devolve upon me.*"

P. H. SHERIDAN, *Lieutenant-General U. S. A.*

The publication of these two dispatches in the New Orleans papers produced, as might have been expected, the wildest confusion and excitement. Words are wholly inadequate to express the height of the indignation caused by this cruel slander upon the respectable citizens of Louisiana. For years they had borne patiently the wrongs of the oppressor, they had seen their liberties trampled under foot, their treasury robbed, and their property confiscated, and all to be styled "banditti" by a man wearing the uniform of Lieutenant-General of the Army. What the condition of public feeling in New Orleans was may be imagined from the following telegram of January 6, from the madman to the Secretary of War:

HON. W W. BELKNAP, *Secretary of War:*

"There is some excitement in the rotunda of the St. Charles to-night, upon the publication by the newspapers of my dispatch to you calling the secret armed organizations 'Banditti.' Give yourself no uneasiness. I see my way clear enough if you will only have confidence.

P. H. SHERIDAN, *Lieut.-Gen. U. S. Army.*"

APPROVAL OF THE ADMINSTRATION.

To all of which the President and the Administration replied as follows:

WAR DEPARTMENT,
Washington City, Jan. 6, 1875.

GEN. P. H SHERIDAN, *New Orleans, La.:*

"Your telegram is received. *The President and all of us have full confidence* and THOROUGHLY APPROVE YOUR COURSE.

WM. W. BELKNAP, *Secretary of War.*"

The task of commenting upon this extraordinary proceeding, we propose to leave to the able pen of the editor of the *New York Times,* the leading organ of the Republican party; and, in this connection it will doubtless enhance the interest of this portion of our narrative by placing side by side that part of the President's message to Congress bearing on the conduct of GENERAL SHERIDAN, and the comments of the *New York Times,* his organ, and the organ of his party on the same subject:

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[*From the New York Times, Jan.* 7, 1875.]

Such a dispatch as that which General Sheridan sent to the Secretary of War on Tuesday is not warranted by any facts known to the public; it would scarcely be under any conceivable circumstances. *We have never published such a document before, and we must say that nothing like it has ever been seen in any country under a Constitutional Government.* It almost induces one to believe that the world has gone back two or three hundred years in principles of Government. CROMWELL *did indeed serve Ireland pretty much as General Sheridan proposed to treat Louisiana*, but most of us were under the impression that that system of Government had been indefinitely abandoned. We are at a loss to make out what are General Sheridan's ideas of the Constitution under which he lives, or of the functions of Congress, or of the powers of the Executive, to say nothing of the powers which may rightfully be exercised by a Lieutenant-General in the Army. He first suggests that Congress should pass a bill declaring a certain class of people in Louisiana, Arkansas, and Mississippi "Banditti." How many he would include in that class does not appear, nor does it explain *since what date in our history it was usual for officers in the army to presume to dictate to Congress as to the Legislation it should adopt.* But, a moment afterwards, a still better idea strikes him, and he says: "It is possible that if the President would issue a proclamation declaring them banditti, no further action need be taken except that which would devolve upon me.' *If this means anything, it means that General Sheridan would forthwith proceed to hang or shoot as many persons as he chose to bring under his own description of "banditti."* We have, then, a plain proposal that the President shall "declare an indefinite number of citizens banditti," and that General Sheridan should then deal with them without benefit of judge or jury. This would certainly be resolving the Government into its primitive elements. But there is certainly a shorter mode which General Sheridan would recommend. It is for the President to declare the Constitution and all its amendments null, shut up Congress, put down all the newspapers, and then proclaim himself Dictator, with General Sheridan as his sole minister and chief executioner. If General Sheridan had advised this course at once he would scarcely have shown a greater ignorance or disregard of law than he has done in his most extraordinary dispatch of January 5th, 1875.

We learn from our correspondent at Washington that the President will soon send in a message to Congress, to-day or to-morrow, on the Louisiana difficulty, and that it will be "*unusually pointed.*" We hope that it will not be pointed with bayonets, like General Sheridan's dispatch, which seems to have produced an outburst of indignation from one end of the country to the other. *Some of the people in Washington must be curiously incompetent to gauge public feeling, or they would have never allowed that mad dispatch to have seen the light.* It is much to be desired that some members of the Government would take pains to acquaint themselves with the tone and temper of the country. If the Government had been prudent, it would have put GENERAL SHERIDAN'S ferocious dispatch in or under the table, or into the fire, or said nothing about it. Instead of that, GENERAL BELKNAP telegraphs back to Sheridan that "*the President and all of us* THOROUGHLY *approve your course.*" which was one of the most unnecessary and foolish blunders ever committed by the present Government. We hope that the President's forthcoming message will be a little more creditable to himself, his cabinet, and his party, and to the people of the United States.

[*From President Grant's Louisiana Message to Congress, January* 13, 1875.]

Lieutenant-General Sheridan was requested by me to go to Louisiana to observe and report the situation there, and if in his opinion necessary, to assume the command, which he did on the 4th instant, after the Legislative disturbance had occurred, at nine o'clock P. M.

No party motives or prejudices can reasonably be imputed to him; but honestly convinced by what he has seen and heard there, he has characterized the leaders of the White League there in severe terms, and suggested modes of procedure against them which, although they cannot be adopted, would, if legal, soon put an end to the trouble and disorders in that State. General Sheridan was looking at facts, as he had learned them from Collector Casey, Marshal Packard, Judge Durell; and possibly in following the proceedings which would be the only proper ones to pursue in time of peace, with more of the utterly lawless condition of society surrounding him at the time of his dispatch, and of what would prove a sure remedy. He never proposed to do an illegal act, nor expressed a determination to proceed beyond what the law might authorize for the punishment of the crimes which had been committed, and the commission of which cannot be successfully denied.

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The reader has the President's message right before him, and he can best judge whether the "forthcoming message" was "a little more creditable" than Secretary Belknap's telegram "*thoroughly* approving" the madman Sheridan's blood-and-iron dispatch.

In the same article, the *Times* further says: "We are sorry to find the *Evening Post* identifying the REPUBLICAN PARTY with this reckless dispatch * * * It would be a strange thing to condemn a great party for the wild production of one fevered brain. * * * And even though the President himself, and some members of Congress approved of General Sheridan's indecorous language it would not show that the Republican party was in fault, but only that at the moment it was unfortunately represented."

The Republican party recently sent delegates from every Congressional District in the United States to a National Convention held in Cincinnati, and thus spoke in reference to this banditti dispatch and every other outrage, rascality, scandal and theft perpetrated under Grant's administration.

"17. The National Administration merits commendation for its honorable work in the management of our domestic and foreign affairs, and President Grant deserves the continued and hearty gratitude of the American people for his patriotism and immense services in war and in peace."

HOW THE ARMY OFFICERS DISCHARGED THEIR DUTIES.

As the army was nearly every day called upon to assist Marshal Packard's deputies in arresting white men in the interior parishes, on trumped-up charges of violating the "enforcement laws," our narrative would not be complete without supplying an illustration or two of the manner in which officers discharged their duties.

In keeping with the rule we have heretofore strictly observed, of substituting the official records wherever it can be done without destroying the harmony of the story, we shall pursue the latter course in the case of LIEUTENANT B. H. HODGSON, of the Seventh Cavalry. The following speaks for itself:

HEADQUARTERS UNITED STATES TROOPS,
Vienna, La., Nov. 10, 1874

SECOND LIEUTENANT B. H. HODGSON, *Seventh Cavalry*, is hereby placed in arrest for unlawfully, wantonly, and maliciously cutting the wires of the Western Union Telegraph Company, on the 25th of October, 1874, at or near the town of Vienna, in the parish of Lincoln, and in the State of Louisiana; also for using contemptuous, disrespectful and unofficer like language on the same day to the HON. J. E. TRIMBLE, a Judge of the Eleventh District Court of the State of Louisiana, in a matter of *habeas corpus*, issued by said judge, for the bringing before him of certain prisoners, in the possession of one Edgar Seleye, a deputy-marshal of the United States.

(Signed), GEO. E. HEAD,
Capt. Third Infantry.

The court-martial for the trial of Lieut. B. H. HODGSON convened on the 21st of November, 1874, with General DeTrobriand as President. Among the specified charges preferred against him are the following:

FIRST.—"That Second-Lieutenant B. H. HODGSON, &c., being in command of a detachment of United States troops, serving as a *posse comitatus*, to protect Deputy U. S. Marshal EDGAR E. SELEYE in the execution of his office, did, in assisting the said deputy to serve a process on one J. G. HUEY, a citizen of the United States, and a resident of Vienna, in the State of Louisiana, use unofficer-like, unbecoming violence, and showed unbecoming zeal by drawing his pistol on said HUEY, threatening to shoot him, and otherwise behaving in an unsoldierly and unbecoming manner."

SECOND.—"That Second-Lieutenant B. H. HODGSON, &c., did assist in the arrest of one J. G. HUEY; that after the said Huey had been brought to the town of Vienna, and properly secured under a guard of soldiers, in the upper room of the Court House, the said Huey requested a member of his guard to see Deputy U. S. Marshal Seleye, who was in the room below, and ask him to come up and read the warrant of his arrest, that he might be informed as to the nature of the offenses with which he was charged. That LIEUTENANT B. H. HODGSON, on hearing the soldier deliver the above message to the deputy-marshal, raised from his seat and came up-stairs into the room in which said Huey and others were con-

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fined, and ordered the soldiers on guard there to level their guns at the said Huey, which they did: and at the same time drawing his own revolver and presenting the same close to said Huey, said "This is my authority," meaning his revolver; and then pointing to the loaded guns in the hands of the soldiers, and which were aimed at the body of said Huey, who was unarmed and defenseless, thereby meaning also to have it understood that he had made the arrest himself, and held the said Huey in custody by his own will, and with the armed forces under his command."

THIRD.—"That Lieut. B. H. HODGSON, &c., being present when a writ of *habeas corpus* was served on Deputy U. S. Marshal Seleye, issued by the Hon. J. E. TRIMBLE, Judge of the Eleventh Judicial District of the State of Louisiana, for the production before the said Judge of certain prisoners then in the custody of said deputy marshal, for the purpose of inquiring into the cause of their detention and imprisonment, did send the following violent, insubordinate, indecent and offensive message to the said Judge by the Sheriff of Jackson, who had served the said writ: 'Give JUDGE TRIMBLE my compliments; tell him to go to hell; tell him next time to send three papers; I would like one to shave with, one to light my pipe, and one to use when I go to the privy,' or words to that effect, at the same time displaying his revolver, which message was indecent, and highly unbecoming an officer and a gentleman, and calculated to impair the administration of justice and bring the same into disrepute and contempt."

FOURTH.—That Lieut. B. H. HODGSON, etc., did, while on the march with his command, maliciously, and without authority, and in violation of the statutes of Lousiana, destroy a portion of the telegraph wires, the property of the Western Union Telegraph Company, and also the property of inhabitants of the United States, by cutting the same in one or more places, and twisting portions of the wire around the stumps of trees, thus interrupting telegraphic communication between remote sections of the country, and to the interruption of business of said telegraph company."

The court-martial, although seemingly anxious to save Lieut. B. H. HODGSON, from being dishonorably discharged the service, as he richly merited, was forced, from the conclusive character of the evidence produced, to find him guilty of the more heinous of the charges preferred against him, and sentenced him "to be reprimanded in general orders from department headquarters. The court is so lenient in consideration of the great character and record of the accused, and of his inexperience, &c."

In approving the sentence of the court-martial, General Emory declared that the court had shown "great leniency to the accused" had given him "the benefit of every doubt" but, "in consideration of the very novel circumstances under which Lieut. B. H. HODGSON was suddenly placed, without any previous experience, the findings are approved and the sentence is confirmed. Lieut. Hodgson is relieved from arrest, and restored to duty to his regiment, where it is hoped he will strive to regain the standing which he undoubtedly held before the commission of the errors which have been proven against him." And with this easy sentence the ruffianly Hodgson escaped.

With respect to the operations of the notorious MAJOR MERRILL, whose acts have acquired so much wide-spread and unenviable celebrity, we will quote the following fitting rebuke administered to him by Lieutenant-Colonel HENRY G. MORROW, in a report upon the condition of affairs in Northern Lousiana, to General Emory, As Colonel Morrow's letter is of the utmost importance, and disposes of many of the exaggerated, malicious and slanderous reports of GENERAL SHERIDAN and MAJOR MERRILL, we will preface the extracts of Colonel Morrow's letter by submitting the following very excellent indorsement of Colonel Morrow from General Sherman :

HEADQUARTERS OF THE ARMY,
St. Louis, Mo., Jan. 4, 1875.

This is most respectfully forwarded to the Secretary of War, with a request that he submit it for the personal perusal of the Pr sident. I know of no officer of Colonel Morrow's rank who was better qualified to speak or write of matters like this, and his opinions are entitled to great consideration. I profess to have some knowledge of the people, both white and black, from a long residence among them before the war and several visits since, but I do not intrude my opinion in the confusion which the subject has now involved.

W. T. SHERMAN, *General.*

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"Many citizens of Shreveport," writes Colonel Morrow, "complained bitterly to me of the conduct of MAJOR LEWIS MERRILL, Seventh Cavalry, in making affidavits upon which the arrests of prominent citizens have been made for alleged violation of the laws of Congress, known as 'The Enforcement Act.' Public feeling and opinion among the white population of all the parishes on the Red river, condemn MAJOR MERRILL's act, and the opinion was openly expressed that this officer, so far as his act could do it, *has made the army an active participant in a heated political controversy.*" * * * *

CONTEMPTIBLE EXCUSE OF AN ARMY OFFICER.

I have given, as near as possible, Major Merrill's reason in his own language, and I add that he emphatically claimed that his act was that of LEWIS MERRILL, a citizen, and not of MAJOR LEWIS MERRILL, an officer of the Army of the United States. Whether a military officer in an important command can separate his private from his official character without subjecting himself to censure, take original action in his own person, whereby he becomes identified with political partisans, and whereby, also, the whole army is brought into disparagement in the minds of many well-disposed people of the country at large, and whereby, also, the reputation of the service for fair and impartial conduct in the delicate and responsible duties it is required to perform in conjunction with the civil authorities in this and other Southern States, is impaired, I leave, without any expression of opinion on my part, to the decision of higher authority.

I now come to the general condition of affairs in the parishes on Red river, and which, without the slightest exaggeration, I may say is bad.

Respect and regard for the general government are expressed by a class of people, and so is their determination not to be brought into a collision with the Federal troops; but there is a universal expression of contempt for the State Government, and so far as language could express it, there is open defiance of its authority. The Governor is everywhere and almost by every white man denounced as a "usurper," and the determination is openly expressed by nearly every white man not to submit to his usurpation longer than submission is compelled by the presence and force of Federal soldiers. Dissatisfaction and discontent are plainly visible in all the acts and conversation of the people, and the result is manifest in almost every department of business. Uncultivated fields, unrepaired fences, roofless and dilapidated dwellings, and abandoned houses, meet the eye at every step, and the whole aspect of the country has a look of poverty and neglect. The schools in many parishes are closed for want of money to pay the teachers, and I was told again and again that the school fund had been stolen by State officials. In one parish a criminal court had not been held in nearly two years, and in other parishes no court, criminal or civil, had been held for a long time. In a community where there are no courts, crime finds a genial soil, and the natural result is that the law has fallen into disregard and disrepute. Judges were openly charged with corruption, and money and injustice is charged with turning the judicial scales.

THE COURTS USED FOR POLITICAL OPPRESSION.

The people reported, and they are somewhat to be believed, that the Federal courts had been used to oppress them for political ends, and that the Federal troops had been used for political purposes. How far this has been the case, I have no means to know, but I do believe that Deputy Marshals have used United States soldiers in cases where there was no necessity for them, and from my investigations in the parishes of Onachita and Lincoln, I am quite certain that these civil officers discharged their duties in an unnecessarily harsh, if not cruel manner. It was represented to me that the marshals are *in the habit of prowling through the country in the night time,* accompanied by a *posse of soldiers, to make arrests of citizens who could be arrested by the marshal unaided, and under any circumstance, could be arrested in open daylight.*

These night arrests seem to have a peculiar terror for the people, and my attention was repeatedly called to them. Another subject of complaint was the fact that citizens are arrested *without the shadow of a cause,* and after long and vexatious delay and great expense, are set at liberty, without affording them even a preliminary hearing. Another subject of bitter complaint, especially in Coushatta, is the fact that there is not a United States Commissioner in that parish, and persons arrested are required to be sent to the City of New Orleans, *several hundred miles, for even an examination.* * * *

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The complaints against the State officers were so numerous that a mere enumeration of them would fill a volume. Corruption, jobbing in office; partiality and favoritism in the administration of justice, exorbitant taxes raised in some instances seven and eight per cent., in the appraised value of the property; a ruined credit, a depleted State and parish treasury; enormous debts, State and parish; a multiplication of officers in the persons of favorite individuals, are a few of the charges made by the people against their State authorities, the political condition of the State is the one subject of conversation everywhere,—in public and private, and among all classes, except the negro, who feels no interest in it, and because he does not comprehend it. The dissatisfaction is widespread and deep, and I am firmly convinced that sooner or later there will be an outbreak of public feeling which will be attended by scenes of fearful violence. * * * *

Without going into the needless details, I give the following as my deep-seated convictions: The present State Government cannot maintain itself in power a single hour without the protection of the Federal troops. * * *

I not only do not believe, but I am absolutely certain, that there will not be at any time in Louisiana any organized or authorized resistance to the general government. *If the expressions of the people are to be believed, and I do believe them,* there is a very sincere desire to live quietly under the protection of the Constitution of the United States and enjoy the blessings of the national government, but there is no disguising the fact that the protection afforded by the Federal Administration to the Government of the present State Executive is the cause of bitter personal and political feeling in the breasts of nineteen-twentieths of the white inhabitants of the State.

HENRY A. MORROW,
Lieut.-Col. 13th Infantry, U. S. A.

We omitted to state that Col. Morrow is not only a Republican, but what is stranger still for such a fair-minded and intelligent gentleman, an intimate friend of President Grant's.

Such, therefore, has been the policy of the Federal Administration, not only to the people of Louisiana, but to the people of every other Southern State. We cannot better end this branch of the subject than by quoting the very eloquent remarks of that gifted Southern orator, MR. LAMAR, upon this very topic, in one of his most brilliant efforts toward the close of the recent session of Congress:

"Sir, when this prostrate people, writhing in their agony, turn over and jostle these rickety establishments that would fall down of their own rot if let alone, when, as is almost inevitable, disorders occur, the national authorities are called upon, the Federal Executive is invaded—for what? To protect the prostrate people against all these local, dishonest, corrupt and oppressive governments? No; but to protect and maintain these governments and to hold the people down in quiet submission to them. What a policy! This great Federal Government *powerless* for the protection of the people against oppressions of local government, but *omnipotent* to maintain these governments and enforce their oppressions."

Although the people of the South are regarded by some people in the North as a vindictive and blood-thirsty race, yet we find them in March, 1875, two short months after General Sheridan had declared them *banditti,* and had demanded of the President and Congress the power to shoot them as outlaws; two short months after GEN. DE TROBRIAND and his soldiers had broken into their Capitol, and forcibly ejected five members of their Lower House, of whose election there has never existed a doubt—after having been wronged, oppressed, robbed, trampled under foot for years by a handful of characterless Northern miscreants, who had put themselves at the head of the ignorant negroes for the purpose of elevating themselves into office, and plundering the owners of the soil, we find these people, with a generosity and a magnanimity for which history affords few parallels, submitting some of their deepest wrongs to the arbitration of a Committee of Congress, consisting almost entirely of their political adversaries, and among whom was W. A. Wheeler, the present candidate for Vice-President. They submitted those cases wherein Kellogg's Returning Board had cheated Democratic members of both Houses of their seats in the Legislature, and had awarded their places to Kellogg's Republicans.

On the 13th of March, 1875, by a unanimous vote of the Committee, the action of Kellogg's Returning Board was set aside, and the Conservative members reinstated in their seats, thus giving the Democrats control of the House of Re-

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presentatives of the State of Louisiana, which as a matter of right and justice, they possessed, and would have maintained but for GENERAL DE TROBRIAND and his troops.

Kellogg, the usurper, however, remained and still remains in the Executive chair. The political complexion of the Senate remained and still remains unchanged, but the people have derived some encouragement in being able at last to interpose a check to radical robberies, which were eating up the vitals of their commonwealth.

PART FOUR.

PRESIDENT GRANT'S BROTHER-IN-LAW.

The latest investigation into Louisiana affairs was made by a Committee of the Democratic House of Representatives, which examined into the conduct and management of the Custom House of the Port of New Orleans, the offices of United States Marshal and the other Federal officials in Louisiana. At the very outset the Committee were confronted with evidence which showed that MR. JAMES F. CASEY, brother-in-law of President Grant, was endeavoring his utmost to throw obstacles in the way of a thorough investigation; the first witness that appeared before the Committee, Mr. Edgar Seleye, formerly a deputy United States Marshal, and who procured a position in the New York Custom House through the influence of Louisiana politicians, testified that MR. CASEY desired him to go to Canada, and agreed to give him one hundred and fifty dollars cash, and one hundred and fifty dollars during each month that he remained absent, and assured him that his position in the New York Custom House would be given to him back again when he returned; that Collector Casey informed him that General Sharpe, the present Surveyor of the Port of New York had assured him on his word of honor as a gentleman that Mr. Seleye would be reinstated, and that the only reason why he did not like to grant him a regular leave of absence was because if inquiry was made and it was ascertained that he was absent on leave, the Custom House officials would not be able to offer a satisfactory excuse, and "that they would get themselves into trouble."

Mr. Seleye also testified as follows:

"Casey said, if I was subpœnaed by the Sergeant-at-Arms, for me to go as easy on him in my testimony as possible—that he had never done me an injury; That was several days before I was subpœnaed; I think about Thursday. I was subpœnaed on Sunday, and he suggested that I should keep away from the Custom House."

Nor was Collector Casey the only prominent official who endeavored to suppress this scrutiny into the federal officeholders of Louisiana. President Grant himself, anxious and eager as he has always been to carry out the policy which he so patriotically initiated when he issued the famous edict "let no guilty man escape," again appears as the defender and protector of his favorite appointees. Does not the following correspondence offer incontrovertible evidence of the President's intense purpose to punish all rascally officials?

HOUSE OF REPRESENTATIVES,
Washington, D. C., May 19, 1876.

SIR:—I am instructed by the Committee on the investigation of the conduct of certain federal officers in New Orleans to represent that MR. EDGAR SELEYE, now an employé of the Custom House in New York, and for several years a special agent of the Post Office Department in Louisiana, and a Deputy United States Marshal in that State, has appeared before the Committee as a witness, and has declined to answer certain interrogatories with regard to fraudulent pay-rolls of the New Orleans Custom House, the robbing of the United States mails, and the cutting of the telegraph wires, upon the ground that these offenses would tend to his own crimination, as it would furnish data and names, and point to particular facts and circumstances that might lead to his own conviction, even though technically his own testimony might not be used against him. It is therefore suggested that the immunity under the Statute of 1862 is not sufficient to cover his case. I am further instructed to say that the evidence sought is of material value, and that it appears to be in the possession of no one else there than the persons implicated in the alleged crimes and offenses. So that should the Com-

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mittee have to obtain the evidence from this witness, the attempt to obtain it at all must be abandoned. Moreover, Mr. Seleye has declared under oath that he had been offered bribes not to appear as a witness, and that he has also been threatened with prosecution in the event that he should do so. The Committee is satisfied that the ends of public justice will be promoted by enabling the Committee to bestow immunity upon the witness if, at the conclusion of his testimony, it shall appear that he is entitled to the same.

Trusting that these considerations may commend themselves to your judgment, as they have to that of the Committee, I have the honor to request that as in recent similar cases, you will grant the immunity asked for in behalf of this witness.

R. L. GIBSON,
Chairman.

HON. EDWARD PIERREPONT,
Attorney-General.

LET NO GUILTY MAN ESCAPE.

The answer returned is as follows:

DEPARTMENT OF JUSTICE,
Washington, May 23, 1876.

SIR:—Your request in relation to the indemnity to Mr. Seleye *was before the President and Cabinet to-day. The President had been notified that several members of your Committee are not in favor of the indemnity. It is not deemed best to grant it.*

HON. R. L. GIBSON,
Chairman, &c., House of Representatives.

EDWARDS PIERREPONT.
Attorney-General.

THE ENDS OF JUSTICE DEFEATED BY THE ADMINISTRATION.

We speak by the card when we state that the Democratic members of the committee were unanimous in protecting MR. SELEYE in the manner and form expressed in the above letter of their chairman MR. GIBSON. The objections to the indemnity against the prosecution of Mr. SELEYE have therefore emanated from the Republican members of the committee, and more particularly from PRESIDENT GRANT'S brother-in-law, Mr. Casey. Therefore, testimony of the utmost importance, which would have implicated beyond all question COLLECTOR CASEY, and other high officials in the New Orleans Custom House, was not obtained simply *through the action of the President and his Cabinet.*

It will be observed that ATTORNEY GENERAL PIERREPONT takes great care to mention the fact that the question was submitted to the President and Cabinet, so that there can be no doubt as to the unanimity of the Administration on carrying out (on paper only) this policy of "*Let no guilty man escape.*"

Strong evidence of gigantic frauds in the importation of cigars and other goods into the port of New Orleans appears in the testimony adduced before the committee. But the most important witness upon this branch of the investigation, MR. G. W. FERGUSON, after having given some very damaging evidence during the sessions of the Committee in Washington, requested that the balance of his examination should be deferred until the Committee met in New Orleans. He expressed a preference to testify in that city, because he desired to refresh his memory by referring to certain data and documents which he had there. But Mr. Ferguson did not appear before the Committee in New Orleans. Diligent efforts were made to procure his attendance, but it was of no avail. The whereabouts of Mr. Ferguson were not to be discovered. His wife, who lives in New Orleans, was subpœnaed before the Committee and asked as to the whereabouts of her husband. But beyond the fact that she addressed letters to him at the general Post Office in the city of New York, no traces of him could be discovered. His brother was also examined, but he appeared to be as much in the dark as Mrs. Ferguson.

The mysterious disappearance of Mr. Ferguson at this important juncture was attributed by members of the Committee and those familiar with the ways and tricks of Louisiana politicians to the influence brought to bear upon the fugitive witness by the Custom House clique. But certain portions of the evidence that Mr. Ferguson gave in Washington is sufficient to convince the most skeptical that systematic frauds upon the revenue have been the order of the day at the New Orleans Custom House under Casey's administration.

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FRAUDS IN THE NEW ORLEANS CUSTOM HOUSE.

For instance Mr. Ferguson swore that after he had been in the Custom House a few weeks (in 1873) he observed that frauds were being perpetrated, and he made up his mind to take note of them, so that in case he was discharged his information could be serviceable in enabling him to retain his place. The first fraud that came under his notice was the arrival in the cigar-room of the Custom House of twelve cases which had been invoiced as twelve cases of jelly. Mr. Ferguson out of curiosity pried open the bottom of one of these cases, and extracted therefrom a box of very choice "exception" cigars, which he smoked and found the aroma perfectly delicious. MR. HERWIGG, *the Chief Deputy Collector* appeared in the cigar-room, and seemed very much excited at the presence of these twelve cases in the cigar-room.

But perhaps it would be more satisfactory to the reader that we should publish the evidence of Mr. Ferguson upon this point.

Question. Why were they, the twelve cases, sent to the tobacco-room, if they were classed as jelly? A. Mr. HERWIGG said, to use his own words, "The damn fools ought to have sent them to No. 6."

Q. What did he mean—warehouse No. 6? A. Yes, sir.

Q. Who runs that warehouse? A. A man by the name of Thiel runs it, but it is supposed to belong to Mr. Herwigg and his brother.

Q. Is it a Government bonded warehouse? A. Yes, sir.

Q. Is it under the control of Herwigg? A. Yes, sir.

Q. Why do you think it is under the control of Herwigg? A. Because all the bonded warehouses are controlled by the Collector.

Q. I understood you to say these twelve cases were consigned to the first person you named? A. Yes, sir, H. Huard.

Q. When they left the Custom House, they belonged to F. Masich. A. Yes, sir, to a cigar dealer.

Q. Is this person a regular importer of jelly or segars? A. He is an importer of Havana cigars.

Q. Who is H. Huard? A. He is a man that has never been in any business that I know of in New Orleans.

Q. You know him? A. Yes, sir. He was a clerk in a cigar store for a while, but I never knew him to be in any business for himself.

Q. Was he clerk in the cigar store where those cigars were sent? A. No sir.

Q. What was the office of the man who sent them up the street? A. Mr. ONG, the appraiser.

Q. Why was it that these cigars were brought to the cigar dealer at all? A. Through a mistake of the inspector on the wharf. He had orders to send these twelve cases of merchandise to No. 6, but there had been an order issued previous to him to send all cigars direct to the cigar-room and not send them to No. 6. He saw these cigars and he sent them to the cigar-room.

Q. Where was the fraud in the transaction? A. The fraud is in this way: On cigars the duty is $2.50 a pound and twenty-five per cent. ad valorem, besides the Internal Revenue tax of $6 a thousand for the stamps, while on jelly I think it is only ten per cent., although I would not be certain about it. I do not think that jelly came under the act admitting fruit free, but I think there is only about ten per cent. on it.

Q. So that they passed these cigars through the Custom House as jelly? A. Yes, sir.

Q. Did you call the attention of anybody to this? A. No, sir, because it was pretty generally known among the officials there.

Q. Did you have any reason for not bringing it to the knowledge of the Custom House officials at New Orleans? A. I should have never communicated it to them, *because I knew they were all in the ring together.*

Q. Did you believe that if you gave this information to the officials in the Custom House that it would expose the frauds? A. No, sir; on the contrary I would have been immediately discharged.

Q. You say that they were all in a ring? A. Yes, sir.

Q. State to the Committee who you mean by all in a ring? What Custom House officials? State their names and their positions so that we can identify them? A. F. HERWIGG, Deputy Collector, MR. CRAWFORD, Entry Clerk, Col. DILLINGHAM, the naval officer, and THOMAS ONG, the appraiser.

Q. What reason had you for believing that these officers of the Custom

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House were in what you call a ring? A. I have reasons to think so from the importers: at one time MR. ONG, *the appraiser, would collect the money and would keep it all himself and not divide.*

Q. State what money that was; we cannot understand it. A. The money for the weight on cigars and any business from the cigar-room. That is what I heard from the importers. MR. JOSE DOMINGO, of 44 Canal street, told me that hereafter he should not pay MR. ONG another cent. That he should keep and divide the money himself and pay *them,* and not have any more trouble because Mr. ONG, when he took the money, did not divide.

Q. What do you mean by dividing the money? What money is it? A. I will state to you: Whenever MR. DOMINGO used to get an invoice of cigars, they would be invoiced, for instance, at 60,000 while there would be 100,000 in the lot. The importer paid $20 a thousand; in that case all over 60,000 would go to the ring, and Mr. DOMINGO would pay the duty on the 60,000.

Q. What you mean by the money then is, what the importer would have paid for the invoice if it had been a true invoice. The difference being between that and what the invoice really was; if the invoice called for 60,000 (cigars) and there was 100,000 (cigars), the difference was 40,000 (cigars), on which the importers would not pay duty? A. He would pay twenty dollars a thousand on them to the ring. The duty came to as much as seventy dollars sometimes.

Q. In this ring was there a paymaster? Did the money come into the hands of some one of them? A. THOMAS ONG had that part of the business. He is the one that collected the money from the importers. They finally got him removed because he would not divide the money fair.

Q. Were you present at the payment to any one of the parties? A. I decline to answer that question.

Q. Are you afraid that it would criminate you? A. Yes, sir, it might criminate myself.

Q. Would you like to consult a lawyer and see if it would criminate you? A. Yes, sir.

The Chairman of the Committee here stated to the witness that he could safely answer who was present when this money was received by any of these parties to the ring, without the testimony criminating him in any way.

THE WITNESS: I saw the money paid to MR. ONG in MR. J. DOMINGO'S office

Q. By whom was the money paid to this party? A. MR. DOMINGO.

Q. What is his business? A. A cigar importer.

Q. How much did you see paid over by this gentlemen. A. Six hundred dollars.

Q. Were you the recipient in any part of that money? A. No, sir.

Q. Did the members of this ring suppose from anything you did or said that you were in sympathy with them and acting in concert with them in these frauds? A. MR. ONG told them one day, up-stairs, that they need not be afraid of me; that I had a family to support.

Q. You had a conversation with MR. ONG on this subject on the streets? A. Yes, sir.

Q. Do you recollect, in part, the conversation? A. No, except that he told me that he had told them up-stairs that I was all right, and that there was no danger of me saying anything; that I had a family to support and they need not be afraid of me.

Mr. Ferguson testified to two or three other instances of fraud, of a character that in substance was somewhat similar to that narrated above and which he particularized with equal minuteness. He established beyond all peradventure the fact that officials in the Custom House, headed by MR. CASEY'S deputy, MR. FELIX HERWIGG, were members of a conspiracy by which the revenue had been for three or four years defrauded of thousands of dollars. From uncontradicted evidence, it transpired that the Custom House at New Orleans, "under the brother-in-law," had been made to contribute fraudulently immense sums of money for partisan purposes. The manner of perpetrating these frauds was by means of vouchers, which would be made out in the Custon House, apparently signed and sworn to in the regular way, and purporting to be for services rendered to the Government. Usually these vouchers were for the sum of *ninety-three dollars* a month for each alleged employé. The service specified in the voucher was in almost every instance that of temporary laborer, and these were made out, in addition to the monthly vouchers, for the permanent employés proper of the Custom House. It

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transpired in the evidence that many of the names attached to these vouchers were purely fictitious and imaginary, and in others, that the parties named in them never rendered the Government a moment of service in the Custom House, except that of drawing their pay. Under the law these vouchers were required to be sworn to, and appended to which was the notorial and official signature of MR. CRAWFORD, an entry clerk, in the Custom House, and commissioned as a Notary Public.

It often happened that no oath was administered at all, but the vouchers thus made out were forwarded to the Secretary of the Treasury, as vouchers for the disbursements made by "the brother-in-law" (MR. CASEY) at New Orleans, and the money thus fraudulently obtained was applied to political uses. No attempt was made by either MR. CASEY, or by any person in his behalf, to explain or contradict these charges of fraudulent pay-rolls. The perpetration of this crime was not an occasional thing, but was shown to be a regularly established practice. The evidence also showed that in many instances the pollution of the ballot box itself was the consideration for the payment of the money thus unlawfully obtained. On this branch of their investigation the Committee reported on the 10th of August, 1876, as follows:

"It is impossible for your Committee to estimate the exact amount of money thus obtained from the Public Treasury, but from all the circumstances the conviction is forced on the minds of your Committee that all, or nearly all, of the entire sum of money represented by the vouchers referred to was absolutely stolen."

Large sums of money were thus taken from the Treasury. According to the testimony of all the witnesses examined on this subject, these vouchers were made out in duplicate, and although duplicates of all other vouchers for disbursements by the Collector were retained by him, the Committee were unable to procure the duplicates of any of these vouchers for temporary service, the reason assigned at one time being that they could not be found, and another that they had not been preserved or retained. But this open and unblushing use of the public moneys to perpetuate the carpet-bag Government of Louisiana, although it is conclusive evidence of the thorough demoralization of the civil service in the Custom House presided over by President Grant's brother-in-law, yet

THE CROWNING INFAMY OF ALL

remains to be told.

MR. E. A. DAVIS, a clerk in the office of the St. Charles Hotel, New Orleans, another brilliant carpet-bagger, testified before the Committee as follows:

In the Spring of 1874, I cannot recollect just what month, I was called upon by MR. J. HALE SYPHER, (member of Congress), who asked if I would undertake a contract to do some work at the lighthouse; my acquaintance with MR. SYPHER was at that time very slight; I told him I would like to see the contract; so he carried me up-stairs to the office of Colonel Morse, the superintendent of the building, and asked him to show me the contract; he pulled it out of a pigeon hole and I looked at it and read it; I found no informality in it; I supposed it was like other contracts and so I accepted.

Q. State what the contract was. A. It was for some work at some lighthouse; I don't know exactly what the work was, or where the lighthouse was; think it was down on the coast somewhere.

Q. What was the consideration of the contract? A. I recollect that there were several items in the contract, one of fifteen hundred dollars and something. The total amount was five thousand dollars. I signed the contract and delivered it to MR. J. HALE SYPHER. Some four or five days afterward he called upon me and asked me to go down and get the money, for the work was done. I thought that it was rather singular that the work should have been done in so short a time. I went with him. He introduced me to the gentleman who gave me the check. I don't know his name. SYPHER said to him, "This is MR. DAVIS, who took the contract for the work at the lighthouse;" and the gentleman handed me the check. MR. SYPHER accompanied me down to the Treasury, where I was paid five one thousand dollar bills. I then handed this money over to MR. SYPHER, and bade him good morning. He then said, "When I break this one thousand dollar bill I will remunerate you." I knew nothing about it, and thought nothing more about it, and went off.

Q. Can you give the Committee any reason why Mr. Sypher could have come to you and asked you to take this contract? A. No, except it may be this: about

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six months before, sealed proposals were called for for the construction of the colonnade, or whatever it is called, at the top of the Custom House, and I put in a bid for it at seventy-two thousand dollars. The contract was taken by a man named Clark, I think, of Baltimore, at forty-five thousand dollars. When SYPHER made this proposal to me I supposed he knew that I was putting in bids for the Custom House work, and he wanted me to contract for his job.

Q. You did not take any steps to find out who was having the work done? A. No, sir.

Q. Did you render any account which showed that the contract had been complied with, or that any work had been performed? A. No, sir; not a bit. It was simply on the acknowledgment of MR. SYPHER himself, who went down and said the work had been completed, and he wanted a check for the money.

Q. Did it occur to you that this was a large amount of money to earn in so short a time? Did it occur to you as extraordinary that this amount of money should be paid to you by the United States Government, and that you should receipt for it as you said by check, *when you had in fact performed no work for the Government?* A. Yes, sir; it did look a little extraordinary that in so short a time the work should have been accomplished and five thousand dollars paid.

Q. Five thousand dollars for doing nothing? A. For doing nothing.

Q. Was the gentleman who gave you the check *the cashier of the Custom House proper?* A. *Yes, sir; I think he was.*

Mr. Davis further testified that he has since been informed that the five thousand dollars were used for electioneering purposes.

The following letter will show the official transaction in the account rendered to the Government by the Hon. JAMES F. CASEY, President Grant's brother-in-law, and disbursing agent at New Orleans, and how the Government was defrauded:

TREASURY DEPARTMENT, *July* 30, 1876.

SIR: In reply to your inquiry of the 29th instant, I have the honor to inform you that a contract was entered into under date of October 18, 1872, between E. A. DAVIS, of *New Orleans, La.*, and J. F. MORSE, then Superintendent of the Custom House in that city, for the repair of the United States warehouse at quarantine station on the Mississippi River in Lousiana, and the erection of a new wharf thereat, according to plans and specifications furnished by the said Morse. In compensation therefore he was to receive five thousand dollars. This contract is attached to a voucher receipted by E. A. DAVIS for the sum of five thousand dollars, transmitted with the accounts of James F. Casey, disbursing agent at New Orleans, Lousiana, for the month of October, 1872, under the Appropriation for Repair and Preservation of Public Buildings.

Very respectfully,
WM. A. POTTER,
Supervising Architect.

Hon. R. L. GIBSON, *Chairman, &c.,*
House of Representatives:

To these gross charges Mr. Casey said not one word in reply. On the contrary he resorted to various subterfuges and pretexts to avoid appearing before the Committee. One day he was sick. The next day some member of his family was sick. The third day he was compelled to be unavoidably absent from the city; and so on until the departure of the Committee from New Orleans. If this is not a confession of guilt, it is difficult to imagine what can be. When that miscreant, Lawrence Harney, whom certain disreputable New York politicians hired to slander the character of Speaker Kerr, charged him with having received a bribe several years ago, that pure and upright man arose from a dying bed to meet the perjurer face to face and to vindicate his character, even, as it has since proved, at the sacrifice of his life. But Mr. Kerr was a pure, honest man. What a contrast between the late honored Speaker of the House of Representatives and the cringing, cowardly, thieving and rascally Collector of the Port of New Orleans, Jim Casey. He did not dare to face a committee. It has since transpired that his accomplices had determined to prevent him from appearing, by force, if necessary. At any rate one thing is certain, that if Mr. Casey had been guiltless of these numerous charges of grand larceny preferred against him, the temporary and slight indisposition under which he sought shelter would have been no obstacle to his appearance before the Committee for the purpose of that vindication which he owed to himself, to his family, and to the country.

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THE COMMITTEE'S REPORT ADVERSE TO COLLECTOR CASEY.

The minority of the committee of this last Louisiana Investigating Committee, composed of those three famous Republicans, the irascible member from Michigan, Mr. Conger, the Kellogg carpet-bagger from Louisiana, Darrall, and the pliable Woodburn of Nevada, are unaccountably silent as to the circumstance that Collector Casey, although subpœnaed and sent for several times to testify, not only did not appear, but wrapped himself all the tighter in his bed clothes; nor do they mention that as soon as the Committee left New Orleans, the burly figure of Casey was observed strutting into the Custom House. The report of the Committee concludes with the following recommendation:

"Your Committee are of opinion that the government should without delay institute suit against the collector, James F. Casey, to recover such sums of money as have been by him, and those in his employment, misapplied and appropriated to unlawful purposes, as shown by the evidence. And your committee cannot believe that the President will permit Mr. Casey to continue in office, as collector of customs at New Orleans, after he shall become acquainted with the testimony taken before your committee."

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REPUBLICAN "RING" RULE.

The District of Columbia experimented upon by Republican Reformers.

THE MAN WHO DROVE TWEED OUT OF NEW YORK WANTED AT THE NATIONAL CAPITOL.

"YE SHALL KNOW THEM BY THEIR FRUITS."

The administration of the Government of the District of Columbia, during the past decade, affords an eminently fair test by which to determine whether the Republican party has the ability or disposition to cure the manifold evils, which honest men of all political parties admit, afflict every branch of the public service, and demand prompt and decisive remedy at the hands of our rulers. Congress has, under the Constitution, supreme control over the District of Columbia; and, therefore, the party which has had exclusive possession of the Legislative as well as of the Executive Departments of the Federal Government for many years must be held responsible for the frauds, corruptions, and still more odious crimes which have characterized the rule of the men to whom a Republican Congress and President confided the Government of the District of Columbia.

The District of Columbia ring in the zenith of its power was the most perfectly organized, the strongest entrenched corrupt combination this country ever saw. It not only included all the corrupt men in Congress, but all the principal representatives of the great rings in the country were either directly interested or were anxious to secure the assistance and friendship of its leaders. It was primarily the conception of a few unscrupulous plotters in 1870–1. The flood tide of apparent prosperity which set in at the close of the civil war had, at this period, reached its greatest height. It was an era of gigantic undertakings, stupendous jobs and wholesale corruption of public men. The Union Pacific Railroad had been completed and the Credit Mobilier of America had pocketed $50,000,000. The Northern Pacific Railroad had been chartered and endowed with a landed subsidy equal in extent to the empire of France and the kingdoms of Spain, Portugal and Italy. Washington was full to overflowing with jobbers and lobbyists. All the great rings which were being gorged with public plunder had their agents and representatives at the National Capital to watch events and take care of their interests. The kings of the lobby then were Jay and Henry D. Cooke. Their trusted, adroit general manager was the late William S. Huntington, a brilliant versatile man of exceedingly affable manners, with

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a genius for jobbery, and endowed with an unsurpassed talent for bold combinations. He was on intimate terms with many public men, and his entertainments were excelled only by those of Sam Ward. Concerned in all great schemes he saw a grand opportunity for speculation, jobbery and money-making in the National Capital. His first effort, the passage through Congress of a charter for the Washington and Georgetown Passenger Railroad Company, along Pennsylvania avenue, had proved a grand success, since, not long after the road was completed it was sold to a few New York capitalists at a profit of three hundred per cent. on the original investment.

A NATIONAL EXHIBITION JOB.

The next scheme, originated in September, 1869, was to procure a most extraordinary charter from Congress for a corporation which was to hold a "Grand Universal Exposition of all Nations in the City of Washington in 1871." On October 1st, 1869, President Grant was made president of the General Executive Committee, and *ex officio* chairman of the Local Executive Committee. On December 7th, 1869, the scheme was introduced into the United States Senate by Senator Patterson of New Hampshire, who was interested in real estate speculations with the leading members of the ring. It provided an appropriation of $3,000,000; instructed the Secretaries of the Treasury and of the Navy to provide transportation by land and water; the Secretary of the Interior to place a public reservation at the disposal of the corporators, to grade, lay out and otherwise improve the same, and the streets and avenues leading thereto; the Secretaries of War and of the Navy were to furnish an indefinite number of soldiers and marines to do guard duty from the commencement of the work to the sale or final disposition of the buildings, and our ambassadors and counsels in foreign lands were to act as agents for the corporation in securing foreign contributions. "Give us the money to put up the buildings and the thing will run of itself," said the promoters of the undertaking in their appeal for assistance. It was apparent to every one that this was a wild scheme intended solely for the benefit of its originators, yet the Senate spent day after day during the whole winter and spring in its earnest discussion, and only the masterly opposition of two well-informed and incorruptible Senators, assisted by the independent press of the country in exposing the fraud, saved us from a national disgrace, and spoiled this huge real estate and stock speculation. Senator Thurman termed the scheme "a humbug, imposing an expense of five or six millions of dollars upon the Treasury of the United States." Finally, on June 10th, 1870, the Senate, ashamed apparently of the earnestness bestowed upon a manifest job, quietly passed over the bill, and it was never called up again.

THE RING'S ROYAL NOTIONS.

The next great enterprise undertaken by these schemers was to provide a city park. A sufficient extent of land along the picturesque banks of Rock Creek, northwesterly from the city, was found to be in the hands of public spirited citizens (?) who were willing to sell tracts of it for such a meritorious object; and in close proximity thereto were found proper sites for a mansion and summer residence for the President of the United States, for costly edifices for the use of members of the Cabinet, and for homes for Senators to be erected by their States. A resolution was introduced and rushed through Congress to have these lands surveyed and plans perfected for laying out roads, drives, vistas and building bridges under the direction of the Commissioner of Public Buildings and Grounds, and the necessary funds were appropriated to enable him to pay for this work. To do this preliminary work, took General Michler, the Commissioner of Public Buildings and Grounds, longer than the impetuous improvers were inclined to wait, and so this undertaking was, for the time being, suffered to remain in this inchoate condition. In the meantime, the ring speculators were quietly working up two other jobs which promised more immediate remuneration. One of these impromptu schemes hurriedly passed through Congress was the Act of May 20th, 1870, under the provisions of which the public reservation, No. 7, on Pennsylvania avenue, between 7th and 9th Streets, worth half a million of dollars was, coupled with the most valuable municipal franchises, handed over in spite of the protest of the Mayor and City Council to the Washington Market Company for a term of ninety-nine years, subject to the payment of a disproportionate rental for the benefit of the Poor Fund of the District; and to the further condition of erecting a grand monumental edifice to be used as a City Hall. All opposition to this scheme was overcome by the exhibition of a monstrous picture of the proposed palatial building, during the debates in the Senate and the House of Representatives. The trifling rental which was to be paid to the Poor

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Fund was subsequently reduced by a Legislature of which we shall speak hereafter, and then well nigh annihilated by the act of three of the original corporators who nominally went out of the enterprise, and acting as territorial officers made a bargain with themselves and associates, by which, besides nullifying the rental obligation they formally assumed on the part of the District, the erection of the costly building which under its charter the Market Company was obliged to build. To commit Congress to an implied approval of this bargain, they had on March 3d, 1873, an appropriation of $75,000 smuggled into the Sundry Civil Appropriation Bill, with an obscure description of Reservation No. 7. With this sum they were to commence the erection of a City Hall, but as will hereafter be seen this money was, in violation of law, applied to another purpose.

A RICH BONANZA FOR PILFERING AND STEALING.

The founders of Washington planned it upon a magnificent scale. Wide streets and avenues intersect each other, the former running from north to south, designated by numbers, and from east to west by letters, cross each other at right angles and again are cut diagonally by avenues bearing the names of the States of the Union. By this system many public places are formed consisting of circles, triangles and squares in different parts of the city. Sections were set apart as reservations for the benefit of the citizens and for public buildings. A number of these had been beautified by degrees in the course of years. As these plans of men of genius were developed it became apparent that there was a chance to gain a cheap popularity by filching credit for originality due to bygone generations and a rich bonanza for pilfering and stealing, since any improvement not in total disregard of the splendid design could not fail to bring out the dormant beauties of the city and at the same time contribute largely to the health and pleasure of the inhabitants. The time was wonderfully auspicious; with feeble resources the local authorities had struggled for half a century to shape the city in the rough while it remained a mere straggling village, a city magnificent in distances only, so that legitimate demands for street improvements and sewerage had the co-operation and applause of all progressive citizens. The rapid growth of the country during the past few years, the almost unexampled increase of wealth and the consequent extravagant, rage for display which always follows, made the parvenu bankers, shoddy contractors, railroad corporators and lobbyists who flocked to Washington every winter, dissatisfied with the old-fashioned city. They complained about the absence of level streets and avenues on which to speed their fast horses and show their grand equipages. They wanted to build palatial residences in which to entice, entertain and seduce Congressmen, but gravelled streets and macadamized avenues did not suit their fastidious tastes. The wily schemers intent upon plunder joined in and threw out hints about "smooth and noiseless" everlasting patent pavements. "It was a disgrace to this great country," they one and all said, "that the National Capital was neglected in this manner. Congress ought to lift it out of its mud and squalor, and make it worthy of the great American Republic."

MILLIONS MUST FLOW FROM THE PEOPLE'S TREASURY.

Men who had thrust their arms into the National Treasury up to their elbows and raked out princely fortunes at one haul, were not willing to wait for the slow work of years and the gradual growth of the Capital. No, there must be a wave of the enchanter's wand, millions must flow from the National Treasury, and the city rise in gorgeous grandeur for their immediate delectation. Congress was debauched; the Executive power was in the hands of a man who had as little regard for the proprieties of the public service as he had for those of private life. Without a blush he accepted munificent gifts and rewarded the givers with emoluments and honors of high official position. Offices were bestowed as Napoleon the First parcelled out kingdoms among his kinsmen. The integrity and sense of responsibility of official life which distinguished the better days of the Republic were gone, and in their stead we had the low standard of barter and trade. It was emphatically a period of bargain and sale, of speculation and jobbery; in a word, radical rule had become a synonym for all the vices of the shoddy society of the day.

Washington had, as is well known, up to the year 1867 an old-fashioned Municipal Government, simple in its form and economical in its workings, such as the experience of centuries has shown to be the best and most inexpensive for large cities if properly administered. Improvements within a limited range were being made, and the people had the right to choose their own rulers. The great proportion of the community was content with this form of Government. The laws were respected, the checks upon

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official power good, and the opportunities for plunder small indeed. Subsequent experience has proved that all the clamor of bold, bad men, against this old Municipal Government and the way it was administered, was for the purpose of practising a deception on Congress, and thus getting control of the District with a Government they could manage for schemes of plunder under the pretence of improving the city By buying up the local press they had gained a powerful influence for evil, and they used it diligently to promote their designs on the Public Treasury.

THE FORM OF GOVERNMENT CHANGED TO GET RID OF NEGRO SUFFRAGE.

The District of Columbia had been since the war a harbor of refuge for the colored people, and for some years past they constituted one-third of the whole population. To school their youth properly, all the taxes collected from colored people had been set aside, but in consequence of the efforts of Sayles J. Bowen, a local radical politician, who in his person united the offices of disbursing clerk of the Senate, city postmaster, police commissioner, member of the levy court of the county and school commissioner, Congress passed a law compelling the cities of Washington and Georgetown and the county, to set aside for the use of a newly created Board of Trustees of the colored schools, appointed by the Secretary of the Interior, such a proportionate part of all the moneys appropriated for the purchase of sites, construction of buildings, payment of teachers and any other expenditures, including contingencies of the white schools, as the colored children of school age bore to the whites. In view of Bowen's connection with the procurement of this legislation it is not strange that in May, 1868, when by Act of Congress negro suffrage for the first time became an element of power in the Municipal politics of Washington, a total revolution occurred, by which Sayles J. Bowen was elected Mayor in the place of Richard Wallach, a loyal and respected conservative, who had served three successive terms, and under whose administration every requisition or appeal made on the city for volunteers or contributions to the pressing needs of the Union soldiers had been responded to with commendable alacrity and without adding scarcely a dollar to the municipal indebtedness. After the expiration of his two years' term, Mr. Bowen was swept from office by a so-called citizens' movement, and M. G. Emery was elected in his stead by 10,076 against 6,882 votes. After two short years the pay of the officers, teachers, employés, laborers and contractors was five months in arrears, and all the safeguards against the increase of debt had been disregarded by unusual devices suggested by William A. Cook, a legal trickster, feared by many but respected by none, who had been appointed Corporation Attorney, and had with others of a similar character, brought disgrace upon the Bowen administration The great success of the reform ticket was due unquestionably to the universal desire to get rid of this local trickster, who had given up the preaching of the gospel and taken to the practice and distortion of the law some years previous.

BOSS SHEPHERD COMES TO THE FRONT.

It was not long before it became evident that among the elements which had combined in the citizens' movement of 1870, there were some mischievous men who had simply used the popular current to get rid of a successful rival and by indirection to further personal sinister interests. In this crusade a man turned up who had for long years and in vain striven to reach the highest municipal honor in Washington. Alexander R. Shepherd was elected an Alderman, but had scarcely taken his seat in the City Council before he began intriguing for the overthrow of Mayor Emery's administration, and along with it the old Municipal Government of the city. The extravagance and misrule which had characterized the Bowen administration had so disgusted a large majority of property holders with an Elective Government, that the white people, irrespective of politics, were ready to welcome any change. Shepherd is a shrewd, adroit and unscrupulous man, who has come up from the lowest ranks of life just as Boss Tweed did. Without even serving an apprenticeship he had managed to become the head of one of the largest plumbing and gas-fitting establishments in the District, and to control the greatest proportion of work on Government buildings in Washington. From contract jobbery he gradually ventured into all descriptions of speculative enterprises, and with a tender regard for the dead as well as the living, had undertaken to run a graveyard as well as a Life Insurance Company. Later on he embarked in real estate speculations and began the erection of rows of a cheap class of buildings, which were generally sold to mechanics and clerks on long terms. This business he began in partnership with Moses Kelly, well known in city politics, and with the bosses of the various building trades. It was a happy thought to tempt into this speculation, about

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the year 1868, Senator J. W. Patterson, of New Hampshire, since this association gave Shepherd social standing in higher circles than those in which he had hitherto moved, although, on the other hand, it speedily proved the political ruin of the Senator. Since that time the victims of Mr. Shepherd's temptations may be counted by scores. Even while a member of the City Council, Shepherd was concerned as a large stockholder in wood and concrete paving companies, especially in the Metropolis Wood Paving Company, whose head-quarters were over his store on Pennsylvania avenue.

FROM THE SLUMS TO AFFLUENCE.

His tastes at the outstart of his career were low. By nature brutal and oppressive to his inferiors, he was ever fawning and sycophantic to his equals and superiors. About the year 1868, J. G. Naylor, a hard working builder, dared to ask this budding Boss for money due him, which so enraged Shepherd that he seized a piece of gas-pipe, struck the mechanic and nearly broke his skull. After Naylor's recovery from a protracted sickness, Shepherd compromised the pending suit by the payment of a large sum of money. It was not long after this that he discovered that men who cheated with due regard to the conventionalities of society, and broke the Ten Commandments only in secret, are quite as apt at rascality and much more useful associates than the roughs who people the slums of cities. As deacon of a fashionable church, nicknamed the "Holy Locomotive," from its suggestive appearance, he craved the smiles of society, sought recognition from so-called gentle folks, and enlarged the circle of his creatures and tools by extending his alliances to the very threshold of the White House. He spread a bounteous board and boasted a well stocked cellar; and soon all the shoddy element of Washington society courted his hospitalities, while all decent people denounced him as a rogue. While he was squandering millions of the people's money on worthless tar poultice and rotten wood pavements, his own aggrandizement was attested by the erection of a stately palatial residence with carved stone fronts, and doors and trimmings of rare woods. Antique furniture, huge mirrors, gorgeous carpets, costly pictures filled this lordly mansion, and china manufactured in France to order, graced his festal board. His splendid Landaulet, drawn by a span of thorough-breds harnessed in glittering trappings, driven and attended by flunkeys wearing wonderful liveries, attracted as much notice in the streets as the snob four-in-hand of President Grant. There was an object in this ostentatious display, for by it Shepherd managed to fill his salons with judges, generals, senators, ambassadors and fine ladies, and his banquets soon became the talk of the town gossipers, and his balls the envy of every shoddy upstart, and thus in a little while the moral tone of the community was demoralized. A bold, unscrupulous man like Shepherd, invested with almost absolute power, and sustained by the Legislative as well as the Executive branch of the National Government, could not fail to become a dangerous instrument of oppression to the people of the District, and an adroit agent for plundering the Public Treasury.

WHEN THE DEVIL WAS SICK, ETC,

The subject of the foregoing sketch was elected in 1870, by the Board of Aldermen, Chairman of the Committee on Finance. As such he publicly simulated economy and quietly favored the grossest extravagance. On the 2d of September, 1870, he, in reporting the general tax bill, spoke of the then financial condition of Washington, as follows: "The estimates of the Mayor for the expenses of the current year are $1,251,287.38. Your committee however are of opinion that in view of the large indebtedness of the Corporation, and the heavy taxation imposed under laws recently passed by Congress, it will be necessary to reduce the estimates of expenditures to $1,000,000. This can be done by omitting the sum estimated for cleaning the streets, by reducing the salaries of Corporation officials, which exclusive of teachers and police, have reached the enormous aggregate of $123,320, and by carefully restricting our improvements within the limits of our resources. These taxes will bear very heavily upon our people already compelled to provide for an enormous funded debt. It therefore becomes our duty to administer their affairs with rigid economy, and to take all necessary measures to restore the credit of the city now so greatly depreciated. Your committee therefore recommend the reduction of the salaries of the Corporation officers which now absorb 12 per cent. of the revenue, the introduction of a radical change in the cleaning of streets, and by carefully avoiding waste and recklessness in every branch of Corporation expenditures."

At the very time these professions of economy were made by Shepherd, he had quietly sent out one W. H. Chase as an emissary to look after patent wood pavements. On his return, Chase reported that "when properly laid, wood pavements will last from fifteen to twenty years in Washington." Congress had been importuned about this

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time by the ring then forming, to authorize paving Pennsylvania avenue, between the Capitol and Treasury grounds, with a patent pavement of some description, the Government to pay $160,000, that being about one-half of the estimated cost.

THE PENNSYLVANIA AVENUE JOB.

In speaking of this proposition to pave the avenue, the Hon. J. Proctor Knott, of Kentucky, said: "In my judgment there is more in this measure than seems to be visible on the surface. I think it contains the materials for another of those never ending repasts for the hungry flock of small retainers who hover like vultures about this Capital to prey on Government garbage, and for which there must be paid out of the Public Treasury an unlimited amount of money. Lay not then I beseech you 'the flattering unction to your soul' that because the amount to be expended in this project appears to be limited to $160,000, that it will stop there. I tell you there is no power short of an Omniscient Providence that can foretell what the Government will eventually have to pay for the improvement of this avenue, if it undertakes it at all. It is true that assisted by the wonderful powers of science the astronomer can sit in his closet and tell precisely at what moment and at what particular part of the sidereal heavens a comet will appear, which has been absent a thousand years on its pathless pilgrimage through the wilderness of space, and true to the letter of the prophecy, its fiery train flashes upon our vision. But, sir, to foretell what any public improvement about this city will cost, or when it will be finished, not only defies the highest powers of mathematics, but is beyond the utmost range of human conjecture itself.

'When the stars shall fade away, the sun himself
'Grow dim with age, and nature sink in years,'

Then, and not till then may you expect to see one of these Government jobs completed and the last deficiency bill passed to pay for it. This language may sound like hyperbole, but show me one single Government job around this city that has yet been finished."

IT LEADS TO OTHER JOBS.

On July 8th, 1870, a paving bill was passed, under which the United States was to pay like other property holders, for its frontage along the Botanic Garden, the railroad company for 22 feet in the center of the street, the private property for the pavement on its frontage, from curb to area chargeable to the railroad, and the Corporation of Washington, for all intersections of streets and avenues, including the spaces along the park enclosures.

Shortly thereafter Louisiana and Indiana avenues, and Fourteenth street, northwest, for the length of nearly a mile and a half, were ordered to be paved with wood by the retrenching City Councils. Though newspaper proprietors interested in the patents previously selected, worked up public sentiment in favor of these jobs to the best of their ability, still many of the property holders vigorously protested; and in the case of Louisiana avenue, their protests against the costly experiment were so determined, that as a concession a stone pavement 30 feet in width had to be laid on both sides of the street next to the curb, but a wood pavement was forced upon them in the center of the avenue. The stone pavement still stands with rotten wood borders, as a monument of one of the first tricks of the ring.

THE RING PAVING COMPANY IN CLOVER.

The Pennsylvania avenue pavement after three months delay was given out on October 19th, in four sections, not to the lowest responsible bidders, but to the owners of those patents which were claimed to give the most substantial guarantees for permanency; all of the aforesaid owners being members of the ring, then in course of formation. The largest two of the four sections at once gravitated to number 908½ Pennsylvania avenue, the head-quarters of the Metropolis Paving Company, over A. R. Shepherd's store. The stock of this company had been distributed in large blocks to Hallet Kilbourne, John O. Evans, W. S. Huntington, Lewis Clephane, Sam Young, Shepherd's brother-in-law, and to the proprietors of the *Evening Star* and the *National Republican*, the two principal daily newspapers of Washington. The future glories of the great avenue, when paved with the durable and noiseless wood pavement, were dwelt upon daily by the subsidized editors of the ring organs, and in the mean time the three months delay in awarding the contract was industriously employed by the ring managers, in making their arrangements with the Paving Commission, which consisted of Columbus Delano, Secretary of the Interior, Mayor Emery, and Gen. Michler, Commissioner of Public Buildings and Grounds. The season having been wasted in this

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way Pennsylvania avenue was torn up in the Fall and work rushed through in November and December, 1870. On November 1st, eleven days after the award of the contract, a merry company enjoyed an exquisite champagne collation, prepared by Wormley, at an improvised frame building near the sheds where the machinery for sawing the blocks had been set up by the Metropolis Paving Company, and the famous

DR. BUCHU HELMBOLDT DROVE UP WITH HIS STYLISH SIX IN HAND

to give his blessing to the enterprise. The ring leaders with wild enthusiasm then and there promised the quack Doctor that the opening of wood paved Pennsylvania avenue should be celebrated by a grand carnival and fetè on Washington's birth-day. The fetè was duly celebrated and the unsuspecting citizens contributed liberally to pay the piper, never dreaming that at no very distant day they would look back to the occasion through tears of sorrow, and curse the hour in which they made merry over their enslavement. Meanwhile the Session of Congress approached. On November 23d, 1870, the *National Republican*, the mouthpiece of the President and the administration wound up a double-leaded leader on the subject of—legislation for the District, as follows: "A few hundred dollars judiciously expended upon terrapins, oysters, champagne and cigars will be 'bread cast upon the waters.' The experiment worked well last winter, well enough we think to warrant repetition. Instead of an appropriation of a few thousand dollars every year, we should have five or six millions to beautify and improve the National Capital."

WHAT WINE AND WASSAIL ACCOMPLISHED.

Acting upon this advice, ring hospitality was liberally dispensed. There was a grand banquet to the Press of the country at the Metropolitan, another to Congress at the Arlington. The governors of the States and numerous municipal bodies were invited; the crack militia regiments of the Eastern cities were to have competitive exercises on the newly-paved avenue, and representatives of all nations of the earth were to vie with each other in the exhibition of the sports of their native lands. While this surface movement was going on, public attention was skillfully diverted from more momentous underground currents. Senator Hamlin had, on February 25th, 1870, introduced a bill in the Senate "To provide a Territorial Government for the District of Columbia," which was discussed and passed by the Senate May 27th, received by the House May 31st, and referred to the District Committee June 29th, 1870, where it apparently died. But quite unexpectedly, Mr. Burton C. Cook of Illinois, the Chairman of the House Committee, reported back a substitute for Mr. Hamlin's bill on January 20th, 1871, and in advocating it said, "There are 131,000 people in this District.

* * * The cost of the Municipal Government in salaries and incidental expenses is $179,000 a year, or one dollar and a half for every man, woman and child in the District. This is the thing which the Committee have endeavored to avoid. The proposed Government is intended to be a simple, harmonious, economical one, with a conservative element in it which should be the element representing the people of the whole United States."

After a short discussion, all warning voices were unheeded, and this bill was forced through by a vote of 97 against 58. On the same day the Board of Trade of Washington held a meeting, and on motion of Alexander R. Shepherd, adopted the following resolution:

"*Resolved:* That we hail with joy the passage of the bill by the House of Representatives this day, believing that it will be the beginning of a new era in the development of our business interests."

A committee of five, of which Alexander R. Shepherd and Hallet Kilbourne were two, was appointed at this same meeting to urge the Senate to adopt the House bill unaltered.

A SATIRE ON FREE GOVERNMENT.

On February 7th, A. B. Mullett, Supervising Architect of the Treasury, headed a petition which was laid before the Senate by William M. Stewart of Emma Mine fame, praying that the House bill might be passed without alteration. The Senate having moved for a Conference Committee, a bill was agreed upon and passed both Houses on February 14th, and approved by President Grant on February 21st, amid the portentious follies of the carnival. The bill was not perfected in open Congress, but was manipulated for four weeks in Conference Committee. It provided for a complicated form of government—one which in truth was the most magnificent satire on Government the world ever saw. A more severe blow at republican institutions was never struck in this or any other country. A Radical Congress repudiated the people's de-

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mand and laid them at the mercy of an irresponsible one-man power. All power was concentrated in the hands of the President of the United States, and how he abused that power by filling all the offices with men with whom he and his friends were engaged in speculative ventures, is well known to the country. The Governor of the miniature principality had a staff, exercised veto power, and had a pocket veto too, granted pardons, and filled all the executive offices of any importance at pleasure. A Secretary was provided, and a council which was a caricature on the House of Lords, a Board of Health, and last but not least a Board of Public Works. And to the people was vouchsafed the barren privilege of voting for members of a so-called House of Delegates, and a Delegate in Congress who was without a vote. But even this turned out to be no boon at all, since the Board of Public Works, by holding the rod of discharge over every poor laborer who would not vote according to the dictates of the ring, elected this whole mock Legislature and the Delegate to Congress besides. As a natural result of this one-man power in a republican country, a shameful mockery of legislation was witnessed. There was not a single respectable citizen of the District elected to the House of Delegates. This honor (?) was monopolized by the illiterate and subservient tools of the ring, whose only occupation besides registering the decrees of the Board of Public Works, was to put through a few bills for contractors, who paid well for the same. They legislated however, with a will, and when they could be tolerated no longer, they wound up their official existence by plundering the Hall in which they sat—stealing feather dusters, spittoons, and desks—some of which were actually pledged with bar-keepers for whiskey bills.

THE RULERS OF THIS RADICAL ISRAEL.

M. G. Emery, the lately elected reform Mayor, a vain man, had been flattered and deluded into the support of the Territorial scheme, which ousted him from the office he had just assumed, under the promise of the newly created Governorship; but after using him, the ring discarded him. The President had unlimited confidence in Henry D. Cooke, who was in charge of his financial affairs, and through him the ring boldly urged Shepherd's appointment to the Governorship. To this the Rev. J. P. Newman, a political parson of the Metropolitan Church, and spiritual adviser at the White House, objected in the interest of Emery, a vestryman of his church. The Rev. Doctor set forth the proofs of pledges made by the ring to Emery so plainly to the President, that he hesitated, and finally the community was surprised by the appointment of H. D. Cooke. Mr. Cooke, besides his connection with the famous firm of Jay Cooke & Co., had some local notoriety on account of his zeal for Sunday-schools, and his activity as a member of the Young Men's Christian Association, for which last-named institution he evinced his firm attachment, by engineering a heavy loan on worthless second mortgage bonds from the Freedmen's Savings Bank, thus robbing the poor freedmen in the name of the Founder of the Christian religion. As orthodox members in good standing in the Radical party, the Cookes could venture upon many things which would have been deemed treasonable in others. In 1867, the following advertisement appeared in the Washington and many Southern newspapers:

TRYING TO GET A CORNER ON C. S. A. BONDS.

"CONFEDERATE BONDS WANTED.—First National Bank, Washington, August 29, 1869. We have an order for a moderate amount of 8 per cent. bonds of the C. S. A., and, until filled, will buy all that are offered at the best rates.

WILLIAM S. HUNTINGTON, *Cashier*."

In the columns of the same Washington paper containing the above, could be seen this also:

"FIRST NATIONAL BANK OF WASHINGTON.—H. D. Cooke, of Jay Cooke & Co., President; W. S. Huntington, Cashier; Government depositary and financial agent of the United States, Fifteenth Street, opposite the Treasury Department."

Here in 1867, was the "Government depositary and financial agent of the United States," the Bank controlled by the Cookes, openly advertising for and buying up "at the best rates" all the 8 per cent. bonds of the defunct Confederacy in existence. It was then their scheme, as every circumstance shows, to make the Confederate debt a consideration of settlement with the South by Federal assumption—a scheme which was, however, baffled and put at rest by the adoption of the Fourteenth amendment in 1868.

H. D. Cooke, as Governor, was but little more than a figure head, acting simply as the hand and mouth-piece of Shepherd, enjoying however the luxury of a gaudy uni-

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form and a full staff of militia officers. He believed with his brother Jay that, "A national debt is a national blessing," and the unfortunate people of the District of Columbia have had an ample opportunity to test the truth of this aphorism.

THE BOSS AND THE SUPERVISING ARCHITECT.

Alexander R. Shepherd was appointed a member of the Board of Public Works, which consisted nominally of five members, including the Governor as President *ex-officio*. His associates made him vice-president and executive officer, and with him all the powers of an illy-defined Government gravitated rapidly to the Board of Public Works, so that imperceptibly the district passed under the control of an irresponsible despotism. The title of the "Boss" bestowed upon Shepherd in this position by the contractors, soon came to be a by-word in the community, and has been universally recognized as an appropriate designation of the man who attempted to run a Government, as an overseer does a gang of plantation negroes. Shepherd's colleagues on the Board were A. B. Mullett, the late Supervising Architect of the Treasury, who had long had intimate, personal and profitable business relations with Shepherd in connection with work done and materials supplied for all the public buildings in the United States, under the charge of the Treasury Department. Mullett's appointment was a master stroke. One of the most important things to be done was to engineer members of Congress, and in this business Mullett was by universal consent a proficient. Every new building that was built or determined to be built, secured the personal devotion to the ring of from one to a half dozen Congressmen. This was affected in several ways. First the recommendation of the Supervising Architect for the building of the proposed structure must be had. The member or members from the locality asking for the appropriation courted Mr. Mullett, who could make his own terms. If he asked the favor that they encourage improvement at the National Capital, they could not refuse. Then, again, as a new Post Office or Custom House was to be built, Congressmen might have friends whom they wished to be taken care of by Mr. Mullett, in the way of contracts. Of course, he in his turn could not refuse any reasonable request of this kind. The result was that the member got Mullett's recommendation for the required appropriation, and in turn aided in the grand work of "regenerating, transforming and beautifying the National Capital" by helping the Board of Public Works to large appropriations whenever they needed them.

STUBB MAGRUDER AND HIS BOOK-KEEPING.

James A. Magruder, one of the members of the Board of Public Works, was a man alike devoid of character and credit, but subsequently became famous by a system of book-keeping he invented, which enabled him as Treasurer of the Board of Public Works to keep his accounts in inextricable confusion to the great satisfaction of Shepherd, for thereby he was enabled at any time to challenge the inspection of the books, well knowing that they could be made to show figures as they were wanted. The Board of Audit, after nearly two years' labor, has not been able to disentangle Magruder's accounts, and in bringing suit against him to recover money alleged to be still unaccounted for, cannot specify the amount any more definitely than "from $30,000 to $60,000." The criminal suit on the charge of studiously confusing his accounts which was recommended to be brought, has not been instituted, and probably will not, because the limit of time within which it could be brought has nearly expired. The official report of the Board of Audit nevertheless shows (vide Mis. doc. No. 103, part 3, H. R. 44, Cong.), that an amount exceeding $1,000,000, which he claimed to have paid out, had never been entered upon his books, but which he was allowed to account for by producing vouchers not on file among the public records. When it is known that he intermingled his cash with all the various certificates of indebtedness issued by the Board of Public Works, it is easy to understand how he could safely speculate in these depreciated securities with the public money.

ONE OF SECOR ROBESON'S PETS.

S. P. Brown, a defaulting Navy Agent, and a favorite contractor in the Navy Department, completed the list of worthies who made up the Board of Public Works. Brown is a native of Maine, and was placed in the Board by the influence of Senator Hamlin and Speaker Blaine. The choice of the ring was Hallet Kilbourn, and Brown was always looked upon with suspicion, although he was a valuable adjunct on account of his connection with the Speaker of the House of Representatives. He was, however, obliged after a season to retire—being caught with an interest in a contract to supply lumber to contractors, afforded the pretext for his dismissal.

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Two-thirds of the "Upper Council" were ring creatures, and the other third nonentities. The President in appointing members of this upper branch of the Legislative Assembly, consulted the wishes of Boss Shepherd, who always had ready access to the Presidential ear, through Gen. Babcock, whom he early entrapped into real estate speculations and jobs of various kinds.

AN UNSAVORY SET OF JOBBERS.

The Board of Health was composed of two quack doctors, one reputable physician, a colored professor of law, and a capable business man. By adroit management these fellows continued to get an annual appropriation from Congress, amounting to about $97,000, and when the Democratic House of Representatives in its general overhauling, turned over the Board of Health, it found two of its members interested in very unsavory jobbery—they being the owners, though not the holders of $10,000 a piece of the stock of an odorless excavating company which had a valuable contract from the Board of Health. The appointments made by Gov. Cooke were really dictated by Shepherd, who was familiar with local politics and knew that it was all important to make friends of the some men who had proved useful to Mayor Bowen in controlling the negro vote. Thus the very men who had a few months previous been denounced by Shepherd and his ring friends as corrupt jobbers and scoundrels were speedily enlisted under the reform (?) regime. It is sufficient to instance two of Governor Cooke's appointments. He made William A. Cooke, already famous for his latitudinarian interpretation of laws under Mayor Bowen, the legal advisor of the Board of Public Works, and to cap the climax, appointed a very illiterate colored man named Johnson, District Treasurer. Johnson had failed as a barber and as a caterer—a fine preparatory schooling to fit him for the responsible position of custodian of the people's money—but his appointment was a tub to the negro whale.

THE BEGGARS ON HORSE-BACK.

In organizing the new territorial government, Shepherd and his ring coadjutors had but little regard for their loud professions of reform and economy which they indulged in while denouncing the old municipal government and advocating a change. They established at the very outset a score of bureaus, with chiefs thereof drawing high salaries. They had chiefs of contracts, of pay-rolls, of assessments, of streets, of roads, of sewers, of buildings, of repairs, of materials, and of property. They began with promises to do all work for 20 per cent. less than usual prices by confining themselves to cash payments, and before three years had so encumbered first, the city of Washington, then the District of Columbia, then the Board of Public Works itself, with debt that they all sank together under the accumulated weight, and left the General Government to redeem their dishonored illegal securities, which they had issued in every imaginable shape.

As a necesssary adjunct to the new form of government, Shepherd had cultivated intimate relations with the Commissioner of Public Buildings and Grounds—an office which was transferred in 1867 from the civil to the military branch of the public service, on the theory that an officer of the regular army would not be likely to involve himself in speculations with outside parties. General N. Michler, who filled the office under assignment of March 3d, 1867, was an honest, upright, genial gentleman, but with one unfortunate weakness, which the ring took advantage of and catered to, until they had well nigh ruined him. His influence was essential to the success of the ring plans. Shepherd wined and dined him, named a row of houses after him, but finding that a more servicable tool could be procured, he began to intrigue for his displacement, and Michler was quite unexpectedly ordered to the Pacific coast in June, 1871.

SHEPHERD AND BABCOCK—CAPITAL UNLIMITED

The office was handed over to Orville E. Babcock, who ruled in the Executive Mansion as the President's Private Secretary and conscience-keeper, and occupied his leisure moments in working up San Domingo and other jobs. Babcock, a few years before, was the very impersonation of genteel poverty; too poor to rent a whole house for the use of his family, he was compelled in 1868 to form a military mess with the families of other officers for the sake of economy, at a monthly expense of about $55 for each family (see testimony of Gen. Horace Porter in the New York Custom House investigation). Since that time he had received no legacy, nor had any ships of his "returned from the South Sea;" but in a few years after his appointment as Commissioner of Public Buildings and Grounds he became a great real estate speculator, built rows of houses in connection with Shepherd, and grew rich at a time when every outsider lost heavily in

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real estate operations in Washington. It was, therefore, a fortunate occurrence for the ring that the public grounds were at this auspicious time confided to the care of Babcock, and not placed under the control of the Board of Public Works, since subsequently this dual system enabled Shepherd and Babcock to work in harmony in robbing the Public Treasury, while ostensibly acting as a check on each other.

THE RING STRENGTHENING ITSELF.

Here we have to record another intermezzo. The successful alienation of the undivided Government reservation to the Washington Market Company in the Spring of 1870, heretofore alluded to, acted as an appetizer, and before long the ring schemers had to throw another sop to Cerberus. Thomas A. Scott and Simon Cameron were on the look out for a city station for the Baltimore & Potomac Railroad Co., and their covetous eyes fell upon the Public Mall, a grand pleasure park stretching from the Capitol grounds to the reservations south of the President's house, and including the grounds about the Smithsonian and the Department of Agriculture. Here, within a stone's throw of Pennsylvania avenue, these railroad kings selected a slice stretching for a length of eight hundred feet transversely through the mall, so as to mutilate the beautiful plan of the city, and virtually to cut the splendid walks and drives of the pleasure-grounds into two disconnected parks. In accordance with a prearranged programme, a bill was introduced in Congress to confirm the action of the City Council, which in the very act of death had presumed to convey this ground to the Railroad Company.

Senator J. W. Patterson, of New Hampshire, who was connected with Shepherd in real estate speculations, in advocating this measure said: "The question is simply this, shall the action of the City Government be confirmed by Congress? I have here a line from one of the Board of Works, Mr. Magruder, saying, 'The property given to the Potomac Railroad belongs to the city of Washington.'"

Senator Thurman retorted, "What is this bill doing here if the city owns the land?"

Senator Justin S Morrill added, "The city has no more title to this strip of public park than had the Devil when he offered all the kingdoms of the world to the Saviour of the world. This was a very cheap way for the city to manifest its generosity."

Senator Cameron said: "To think of confining the city to a little bit of a park. The gentlemen who now ask to have a landing-place for their traffic and passengers, have already completed arrangements by which in two years more, a freight line will start from New Orleans with cotton or any other of the products of the country, and reach the city of New York in fifty-eight hours, carrying freight so cheaply that no water communication can compete with the railroad."

Mr. Chipman, the ring delegate of the District, said in the House, in advocating the same measure, March 22d, 1872, "The question was, whether the prospective park west of the Capitol, stretching down toward the Executive Mansion, was of more importance than the commercial interest of the city and District?"

In vain the citizens protested against this threatened mutilation of the Public Mall; the arrangement had been made between the railroad kings and the district ring. The action of the City Council was confirmed by Congress, and the alliance between the railroad jobbers and the Board of Public Works was complete.

THE RING LEGISLATURE IN SESSION.

The first Legislative Assembly of the Territorial Government, assembled May 15th, 1871, and Governor Cooke in his message said, that the funded debt of the municipalities of Washington and Georgetown, and of the Levy Court of the county was about $2,350,000. He estimated the floating debt, accrued and accruing from existing contracts, to be $1,000,000, and urged the appointment of a Commission to ascertain and audit the same, and to devise a plan for funding it. He set down the receipts of the Corporation of Washington, from general taxation, at $1,500,000, and claimed that the expenditures of the same, including schools, police, fire department, gas, salaries, and interest on the debt would be $800,000, leaving a surplus of $700,000, applicable to street improvements and the reduction of the debt.

The "Union Club" had been established across the street from the Hall where the Legislative Assembly met. There William A. Cooke was hidden in a private room, employed night and day drawing up bills at the dictation of the Board of Public Works, and the Legislative Assembly was simply required to register the decrees of this autocratic body.

On June 16th, the House of Delegates called for a plan of improvements deemed necessary by the Board of Public Works, and the estimated cost thereof.

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On June 20th, four days afterwards, the Board submitted an elaborate "comprehensive plan" of improvements, "for every portion of the District of Columbia," accompanied by detailed estimates. Accompanying this comprehensive plan was a statement submitted by the Board of Public Works, from which we extract the following: "The Board is of the opinion that the interests of the District imperatively require that the necessary appropriations should at once be granted, that operations may be commenced without delay."

THE MILLIONS BEGIN TO FLOW.

Such extraordinary haste excited the suspicion that the greatest possible amount of plundering was to be done in the shortest space of time. The estimated cost of the proposed improvements was $6,578,397, of which one-third was held to be assessable on adjoining private property, so that an appropriation of $4,385,598 was asked for; and on July 10th an act was passed authorizing the Government to contract a loan by issuing $4,000,000 of bonds, the whole of which were to be placed under the control of the Board of Public Works, without requiring any of the guarantees usually imposed upon the custodians of public funds.

The remarkable speed which the new Government displayed in contracting indebtedness startled the community, and numbers of citizens sued out an injunction restraining the issue of the bonds, in order to test the legality of the law authorizing the $4,000,000 loan; but the ring was not to be baffled in this way, and at the instance of the Board of Public Works the Legislative Assembly, without awaiting the action of the courts, passed on August 19th, 1871, another law authorixing a loan of $4,000,000, which was to be submitted to the vote of the people. All the machinery which had been employed under the corrupt Bowen administration to manipulate the impecunious voters of the District was brought into requisition by the Board of Public Works, and a large majority obtained for the proposed loan bill.

FALSE REPRESENTATION.

A prospectus of the loan was published in the leading newspapers of Europe. Its tenor was that this was a loan guaranteed by the United States, and contained absurdly false statements, such as the following:

"Besides the guarantee secured to the creditor by this exceptional position, the state of the finances of the District of Columbia and of the city of Washington is exceedingly favorable, as it was officially ascertained that on the 31st of May, 1871, the entire indebtedness of the city of Washington and Georgetown, and the county of Washington, amounted only to $3,090,492.27, against a taxable real and personal property valued at $190,000,000. Of this, $30,000,000 represents taxable property belonging to the United States Government."

This statement was false, for the taxable real and personal property of the District, at the assessment of June 30th, 1872, amounted to only $86,215,327. The United States has no taxable property in the District, and the debt of the District at the date of this prospectus was in reality $4,381,297.37. When Governor Cooke was confronted with these disgraceful deceptions, by which the credit of the District was temporarily inflated, he claimed to have sold the bonds at 94 cents net to the First National Bank of New York, and disclaimed any knowledge of or participation in the negotiations in Europe. It is sufficient to say that the notorious prospectus was published over the signature of Seligman & Stettheimer, and that the Seligmans are the successors of Jay Cooke, McCulloch & Co. as the financial agents of the United States in Europe.

THE JUDICIARY PROSTITUTED.

The temporary injunction on the issue of the first $4,000,000 of bonds was dissolved, the judge who determined the cause having been called to the rescue from his Western home, and given a fine mansion in Georgetown in exchange for a piece of swamp land in Arkansas. Undoubtedly the ring originally intended to issue the bonds authorized by each separate act of the Legislative Assembly, but they were prohibited by an act of Congress from negotiating more than $4,000,000. The funded debt of the District was limited by the organic act to 5 per centum of the taxable real estate. This the ring sought to evade, by ignoring the funded debt of the old municipalities; but Congress was forced by the clamors of the citizens to declare, under the Act of May 8th, 1872, that, in the meaning of the organic law, the debts of the old municipalities were to be included; but, inasmuch as the old funded debt and the new $4,000,000 loan would have exceeded the 5 per cent. limitation, this clause was repealed, and the limit of the debt of the District was fixed at the round sum of $10,000,000.

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On this $4,000,000 Loan Act as a basis, the Board of Public Works reared a colossal debt, which now rests with an oppressive weight upon the people of the District. The means by which this gigantic indebtedness was created were as tortuous as the necessities of desperate men could suggest. The charge of one-third of the cost of improvements on adjoining property, public and private, was legitimate, but the cost of improvements were swelled purposely, in order that the assessment on private property might be increased, and false measurements were resorted to, with the connivance and participation of General Babcock, Commissioner of Public Buildings and Grounds, in order to increase the charges made against property owned by the Government. Being unable by all these devices to keep up their sinking credit, the Board of Public Works resorted to the issue of certificates of indebtedness in every imaginable form, thus recklessly increasing the debt of the District in the face of the plain letter of the law. When finally false statements of the financial condition of the District would no longer avail them, the insolent legal proposition was started that the constitutional limitation applied simply to the District proper, and that the Board of Public Works was an independent Corporation, with the power to create a debt without limit

ARRANGING SCHEMES OF PLUNDER.

While the District Government was arranging this plan and preparing for its career of jobbery, affiliated ring speculators were devising various schemes of plunder. Chief among these was the formation of the Real Estate Pool, with two branches acting conjointly and separately as the interests of the master spirits required. As a tender to this, a contract pool was made which was designed to monopolize all the high priced paving jobs. Hallet Kilbourne was chosen as the middle man of one branch of the Real Estate Pool, while his partner, James M. Latta, acted for the other. Kilbourn had in his combination five parties, one being a Judge of the Supreme Court of the District, and two others, being members of Congress, while the remaining two are unknown to the present day. Senator William M. Stewart of Nevada, and two Pacific Coast speculators were the principal parties interested with Latta in the second branch of the Real Estate Pool. John O. Evans and Lewis Clephane, the former an unscrupulous contractor, and the latter a trustee of the Freedman's Savings Bank, deep in all the rascalities by which the poor freedmen were robbed, stood as godfathers for most of the operations of the contract pool. Kilbourne, a sharp unscrupulous fellow, who had formerly been the chief clerk in the Interior Department, was set up in the real estate business by William S. Huntington, cashier of the First National Bank. He had probably been useful to Huntington in his official capacity, and was brought out of obscurity by this shrewd and enterprising gentleman, who doubtless, designed to use him in a more enlarged field of operations. Kilbourne is a clever talker, earnest and impressive, capable of setting forth a speculative venture in its most attractive form. When the ring was fairly organized, the part assigned him to play was

TO ENTICE CONGRESSMEN, JUDGES AND INFLUENTIAL FEDERAL OFFICE HOLDERS

to invest in the Real Estate Pool, and to lend their influence to secure from Congress such legislation as the Board of Public Works desired. One of the objects which Huntington had in establishing him in the real estate business was to have an unscrupulous man who might be used to appraise property on which it was desired to procure loans from the Freedmen's Bank. Henry D. Cooke, Huntington, and Lewis Clephane, constituted the majority of the Finance Committee of that concern, and virtually controlled the accumulated deposits amounting to over $4,000,000 which had been collected from the poor freedmen of the South. Kilbourne's duty, as appraiser of the Freedmen's Bank, was to act as a go-between for the Cookes and Huntington, and parties who desired to effect loans on their real estate. If Cooke or Huntington was applied to for a loan of the freedmen's money on real estate, or other securities, the applicant was politely referred to Kilbourne, just as subseqnently if any one wanted a contract he was sent to the same source. In this way Kilbourne got a fee for appraising property for the Freedmen's Bank, and another of 2½ per cent. for negotiating the loan. In a short time, from comparative poverty he rose to affluence, and discarding the modest tenement house in which he had lived for many years, built himself a palatial mansion close to the palace of Boss Shepherd. and blossomed out into a leader of the shoddy fashion of the National Capitol.

A USEFUL JACK OF ALL TRADES.

Lewis Clephane, a fussy, lean little man with sharp features, fair complexion, and weasel eyes, protected by gold spectacles, had figured about Washington as a Jack-of-all trades for twenty years or more, without making a reputation, or accumu-

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lating a fortune. He began his career in the office of Doctor Bailey's *National Era*, an anti-slavery weekly, where he made himself generally useful in the dual capacity of clerk and solicitor of advertising. From his connection with this paper he obtained a bowing acquaintance with the anti-slavery magnates of the olden time. This slender acquaintance served him as his political and religious stock in trade, when the Republican Party came into Power. He was made City Postmaster, and afterwards Collector of Internal Revenue by Mr. Lincoln. Neither of these offices afforded scope for his genius, which was specially adapted to jobbery. As Vice-president and member of the Finance Committee of the Freedmen't Savings Bank, Clephane had important functions to perform for the ring. The Metropolis Paving Company, Lewis Clephane, President, and the Scharf Concrete Paving Company, John O. Evans, President, while struggling for recognition at the hands of a sceptic community, had to be sustained by loans advanced on their as yet worthless stock from the ever convenient savings of the poor freedmen. These two worthies, the Presidents of the two principal ring paving companies soon proved themselves to be adepts in Bill Kemble's art of "addition, division and silence."

THE BOSS'S "SQUAREST CONTRACTOR."

Evans was a keen, shrewd, close-mouthed operator who kept aloof from politics, and unlike other members of the ring, eschewed fashionable life. These qualities fitted him admirably for the part which he was at a later date to play as the representative of the Shepherd-Babcock-White-House ring, which fattened exclusively on Government pap by means of extortionate prices for work done on, in front of, and through Government reservations; the measurement of which was confided to Babcock, and the bills certified to by him and paid by Shepherd out of the appropriations made by Congress. The confidence placed in Evans is shown by the following testimony of Shepherd before the Joint Investigating Committe: "I can say this much for Mr. John O. Evans, that he is one of the best business men I ever knew, and as a contractor, he is one of the squarest and most upright men I ever met; that the work done by him is unsurpassed by that done by any other person in this city. There never has been any difficulty with him in getting him to make his work right." (Page 1,936, District Investigation.)

Of course it is not to be expected that men of a low standard of morality would deal with each other honestly except when compelled so to do by the cohesive power of public plunder. Huntington died in 1872; and his ring associates, true to their real natures, undertook to defraud his widow of the proportion of spoils justly due her. Determined to bring her husband's unscrupulous partners to terms, Mrs. Huntington gave publicity to the following letter, which was written by Hallet Kilbourne to Huntington:

A VERY SUGGESTIVE LETTER.

"GILSEY HOUSE, NEW YORK,
CORNER BROADWAY AND TWENTY-NINTH STREETS,
BRESLIN, GARDNER & CO., PROPRIETORS,
New York, Friday, August 25, 1871."

"MY DEAR GENERAL: Evans, Clephane and myself left Washington last night to visit Philadelphia and this place and 'gobble up' all the asphalt or concrete pavements we can. In Philadelphia, to-day, we secured Filbert's vulcanite pavement, which is being used quite extensively in the park, and has the very best recommendations. We shall close up the business to-morrow in black and white. We bought a steam-roller to-day from an English agent, who orders it from Liverpool by cable to-night. It costs, delivered, about $5,200. *We shall secure another stone-breaker and a lot of asphalt to-morrow.* The Board of Public Works have advertised for proposals for paving, to be opened next Friday, the 1st instant. We propose to be prepared for them. We had to make a small ring of about seven persons in order to accomplish results. In this ring we put all the concretes. Evans, Clephane, yourself, Kelley, Kidwell and myself comprise six of the 'ring.' We shall put it in the best shape possible. We shall try and control the entire lot of asphalt pavements. We will go home Sunday evening and get all things in readiness for 1st of September.

"Received another letter from Eldredge. He is a splendid fellow. He talks of visiting Washington in about a fortnight.

"H. D. C. tells me to draw on him for $25,000 cash for real-estate pool.

"Hope you will make a special effort in Junction R. R. bonds.

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"I judge from your telegram to Frank from St. Petersburgh that you will hardly get the Perkins claim through in time to return on steamer of 16th September; hope, however, you will, as it is devilish lonesome and quiet here during your absence."

"Let me hear from you. "Truly yours,

HALLET K."

THEY COME DOWN WITH THE CASH.

The publication of this letter was notice to the mean scoundrels who would have defrauded the widow that unless they came down with the cash there was more ammunition in the same magazine which would be exploded at the proper time, and accordingly they settled. As to the bearing of the above letter on the Real Estate Pool it was proved and admitted, before the Joint Investigating Committee of the Forty-third Congress, that H. D. C. stood for Henry D. Cooke, the Governor of the District, who subsequently claimed that he had put up the $25,000 for the firm of Jay Cooke & Co.; and, still later, Kilbourne & Latta, acting for the Real Estate Pool, to prevent further exposures, compromised with the trustee of Jay Cooke & Co.'s creditors by the payment of $40,000 in cash. It was also admitted that besides the $25,000 advanced by H. D. Cooke, five other parties put up $5,000 apiece, making a pool of $50,000 for the Kilbourne branch of the Real Estate Pool. Of these five, Charles A. Eldridge, ex-member of Congress, from Wisconsin, and Judge Arthur McArthur, of the Supreme Court of the District of Columbia, were subsequently admitted to have been in the pool, but the names of the other three parties have been resolutely kept secret. Kilbourn himself defied the House of Representatives, and went to jail rather than make them public.

Upon the trifling capital of $50,000 this Real Estate Pool accomplished wonders by virtually making the millions spent for improvements a part of their working capital and by commanding the credit of the then solvent house of Jay Cooke & Co.

A DEVICE OF THE RING.

On June 20th, 1871, two months before Kilbourn's letter to Huntington above given was written, the Board of Public Works sent the schedule and estimates of the improvements contemplated under their "comprehensive plan" to the District Legislature. These documents, as subsequent events have demonstrated, were framed for the purpose of deceiving the public, as well as contractors not in the Ring. They contain the official declaration that "the board is satisfied, upon careful consideration, that as a rule the value of property in the District will not warrant the general introduction of wood or other expensive pavements, and, if at all used, it should be confined to a few of the principal avenues of communication."

The estimates included but 231,000 square yards of wood pavement, at prices ranging from $2 to $4 per yard, while no concretes were estimated for. There are now fully 2,000,000 square yards of these expensive and altogether worthless pavements in this city. John O. Evans, Kilbourn and their associates were so well informed of the real intentions of the Board of Public Works, and so sure of gobbling up "all the concretes," that they imported a steam roller, expensive stone breakers, and other machinery, costing over $30,000, and purchased "a lot of asphalt" one week before any bids were opened. This false declaration of the Board of Public Works also enabled them to "gobble up" the right to use in the District, on very favorable terms, the most profitable patents for wood and concrete pavements. Thus the Contractors' Ring was made ready for the carnival of plunder.

The northwestern and the northeastern sections of the city slope from the boundary down to North L and G streets, and were then vast tracts of unimproved land, with

LARGE AREAS COVERED WITH WATER

during a portion of the year. The first named locality was selected as the theatre of the Real Estate Pool's operations. Such streets in both of these quarters as were enumerated in the board's communication to the District Legislature for improvement were specified for gravelling, with here and there some macadamizing.

Speculation in real estate based upon information open to all of course was legitimate. But while the specifications were, so far as the northeastern section was concerned, adhered to in the limited amount of work done there, the pool district was paved with the most expensive wood and concrete pavements. The avenues and streets were extended through this section and graded, paved, parked and bordered with shade trees, the reservations laid out and improved in the most extravagant manner, while over the vast expanse there were dotted, at long distances apart, only a few scores of dwelling houses. This locality is traversed in every direction by avenues,

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and the general government, by the shrewd manipulations of the Committees on Appropriations in the Senate and House, has been made to pay five-sixths of the cost of improving these, while two-thirds of the cost of the streets, by the organic act of 1871, was chargeable to the general fund of the District. Thus it will be seen that but a very small portion of the vast expenditures which have been lavished on the pool property came out of the pockets of the speculators who profited thereby.

ADDITION, DIVISION AND SILENCE.

The change in the plan which was sent to the Legislature was kept secret for a whole year. The contracts which were let during that period covered the central section of the city and a few main lines of travel into the country, and thus the public was led to believe that the published programme was to be carried out in good faith. The first contract of any magnitude for work to be done in the northwestern section was let August 6th, 1872, to Chas. E. Evans & Co., for $296,375 worth of concrete pavements to be laid on Connecticut and Massachusetts avenues, Eighteenth, L and other streets. The interval between the publication of the false estimates and this denouement of the plot gave the conspirators ample time to buy up for a song the property they had in view, and when questioned by the investigating committee, Kilbourne could insolently reply, "We had faith."

The amount of cash capital with which this huge speculation was started seems insignificant, but all the purchases were made for small cash payments, notes running a long time being given for the balance, and secured by deeds of trust. The pool relied on the great profits which they expected to make from sales to meet these notes as they fell due. They expected outsiders to be inspired with "faith" as soon as the public became aware of the extent of the improvements to be made in the pool district. The following transactions show that these expectations were speedily realized:

RING PROFITS.

September 23, 1871, Hallet Kilbourne, trustee, bought of W. W. Rapley 140,406 square feet of ground in square 203 for $21,525, of which $15,000 remained at 6 per cent. interest, secured by deed of trust. The same lots were sold March 22, 1873, to Charles Payson for $35,785, subject to the deed of trust for $15,000, or in toto for $50,875. This transaction may be summarized as follows;

Outlay of Real Estate Pool; cash paid September, 1871	$6,525 00
Interest on cost and incumbrance for eighteen months	1,291 50
Taxes for one year on assessed value of $19,888	400 00
Total cash outlay	$8,216 50

On this expenditure of $8,216.50 they received within eighteen months $35,875, a net profit of $27,658 cash, which is equal to a return of $436 for an investment of $100.

Another illustration. Lot 4 in square 157 was bought September 27, 1871, and sold May 3, 1873. The expenses, calculated as above, foot up about $3,162 cash, and a net profit of $5,443 was realized thereon. In this instance an outlay of $100 brought back $272.

These sales were made at a time when the pool wanted money to meet deferred payments on other property. The major portion of their purchases were made, however, at twenty-five or thirty cents per square foot, and all this property is now held at from $1.50 to $2 per foot.

The dates of these transactions show that while the Board of Public Works misled outside capitalists by false official statements, Henry D. Cooke, the Governor of the District and *ex officio* President of the Board of Public Works, prostituted his official position by entering into a conspiracy to deceive the public, and, by

SPECULATING ON INFORMATION

known to him only as a sworn officer, thereby enriched himself and his confederates. He furnished one-half the cash capital of this pool; and had not bankruptcy overtaken his firm, the secrets of this conspiracy would in all probability have been unknown to-day.

The other branch of the Real Estate Pool which was ostensibly headed by William M. Stewart, and for which Latta, Kilbourne's partner acted as trustee, undoubtedly acted in harmony with the Kilbourne-Cooke branch.

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Curtis J. Hillyer and Thomas Sunderland, two Pacific coast speculators, were associated at different dates—the former in May, 1871, and the latter about May, 1872—with Stewart. The operations of Stewart in mining stocks had so crippled him that in December, 1872, he was compelled to retire from the real estate pool; but he received a bonus of $18,000 for his interest in the profits to be realized. Hillyer and Sunderland remained, and Latta conducted all their operations as trustee in the same secret manner which Kilbourne originated for his co-conspirators.

All the best tracts of land held by the trustees could be sold by them in fee simple or mortgaged without the interference of the parties for whom they were acting, as will appear by the following which formed the habendum clause in every deed by which property was conveyed to them.

"To have and to hold the same pieces or parcels of grounds, premises, and appurtenances unto, and to the use of the said party of the second part, his heirs and assigns in and upon the trusts, and for the purposes particularly set forth in a printed paper bearing even date with these presents, and signed by the said party of the second part with full power, however, in the said party of the second part to sell and convey said property in fee simple, or by way of mortgage, or deed of trust, to secure payment of money at such time and place, or such sums of money, upon such terms and in such manner as in his judgment may be proper without any liability on the part of the purchaser or mortgagor to see to the application of the purchase money, or money advanced on mortgage or deed of trust as aforesaid."

The "printed paper" referred to in the above quoted habendum clause was a skillfully drawn instrument of concealment. The following is a copy of the form used by the Kilbourne branch of the pool;

THE INSTRUMENT OF CONCEALMENT.

"*Whereas*, The following real estate in the city of Washington, District of Columbia, has, by the parties hereinafter named, and by deeds bearing dates as stated (property described by squares and lots), been conveyed to me in fee simple;

"To have and to hold the same upon trusts and for the purposes set forth in this paper signed and sealed by me, bearing even date with the said deeds. And whereas, the cash payment of the purchase money for said property and other was advanced by the following named persons, in respective sums set opposite their names, to wit.:

Jay Cooke & Co.	$25,000 00
Five other parties, each $5,000	25,000 00
Total	$50,000 00

"*And Whereas*, Promissory notes for the deferred payment of the said purchase money have been given for the said parties respectively as follows; Jay Cooke & Co., one-half; five other parties, each one-tenth.

"Now, therefore, this is to declare that I hold said real estate in trust, to be held, managed, and sold, for the above named parties in fee simple as tenants in common; the interest of said parties in said real estate being in proportion to the sums paid by them respectively. It being understood that upon the failure of any of the said parties to pay their proportion of said notes or interests or taxes, as the same become due [first having been notified of the amount required and time of payment], then the same may be paid by the remaining parties in interest; and, at their option, refund to such delinquent party or parties the sum of money previously advanced without interest; and such delinquent's interest in said property shall revert to the remaining parties in proportion to amounts severally advanced by them to make good said delinquent's interest.

Given under my hand and seal this 2d day of October, A. D. 1872.

(Signed.) HALLET KILBOURNE, Trustee. [L. S.]

We acknowledge the above statement to be correct, and agree to the same.

(Signed.) JAY COOKE & Co.,
And by five others."

TRYING TO DEFRAUD CREDITORS.

On September 18, 1873, Jay Cooke & Co. failed, and six days later the conspirators interested in the Real Estate Pool, with the assistance of the members of the firm of Jay Cooke & Co., undertook to defraud the creditors of that concern by availing themselves of the clause in the "printed paper" to call in an assessment. This of course Henry D. Cooke declared himself unable to pay in order that there might be an oppor-

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tunity to forfeit his interest and thus prevent the affairs of the pool from being overhauled in the bankruptcy proceedings. In consequence of this action of the ring a suit was entered in 1875, by the trustee of Jay Cooke & Co's. creditors to compel Kilbourne & Latta, as the trustees of the Real Estate Pool, to state an account. This frightened all the men who were interested in the pool, and pressure was brought to bear on Mr. Lewis, the trustee of Cooke's creditors, who finally compromised the matter on the payment of $40,000 by Kilbourne & Latta—a sum altogether inadequate, since the profits of the ring as has already been shown, were very much larger.

The intimate connection of the two branches of the Real Estate Pool is evidenced by a transaction recorded October 2, 1872, when James M. Latta, the trustee of the Pacific coast pool, conveyed 273,000 square feet of valuable ground in the northwestern section, on which, according to the records, cash payments to the amount of nearly $50,000 had been made to Hallet Kilbourne, trustee of the Cooke pool, for a consideration of one dollar! Latta, when examined before the joint select committee, in 1874, in vain attempted to explain this transaction, but the most he claimed was that he had received from Jay Cooke & Co.'s bank about $6,000 on the order of Kilbourne to make the purchase. On the other side, Kilbourne, trustee, conveyed in May, 1872, square 156, for which his pool had paid $13,748 cash, and gave a deed of trust for $52,000 (total $65,748), to James M. Latta, trustee, for $90,429, subject to the above-mentioned deed of trust, making a total of $143,177.

TO MISLEAD FUTURE CUSTOMERS.

and settle with their secret allies, numerous bogus transactions were put on record; for instance, Stewart and Hillyer purchased in June, 1871, squares 66 and 93 for $64,700. After Hillyer bought out Stewart he kept a piece of land from the above, which was proportionately worth $6,500, and conveyed the rest in March, 1873 for a consideration of $125,000, subject to a deed of trust for $51,700, to James M. **Latta as trustee.**

The titles to the rest of the pool purchases oscillated between the three members of the firm of Kilbourne & Latta (John F. Olmstead being the third member), as the necessities of covering their transactions seemed to dictate. The aggregate purchases of the two pools from July, 1871, to July, 1873, were 2,456,046 square feet of ground, for which they paid $704,267 30—about one-fourth in cash and the balance in long notes. This shows an average of about 29 cents per foot. There were in 1873, *bona fide* sales of pool property recorded, amounting to 307,614 square feet, yielding over $217,000, or an average of nearly 70 cents per foot; and 75,223 square feet were withdrawn as sites for the palaces of Messr. Stewart and Hillyer. At this date there are 2,073,219 square feet standing in the names of Kilbourn, Latta and Olmstead, trustees, which, at the prices asked, aggregate fully $2,500,000. They are assessed, however, even now under the revised assessment at only $617,253, or 29¾ cents per foot, which simply represents the cost price of the ground when it was unimproved and some of it under water.

THE PEOPLE HAVE TO FOOT THE BILLS.

The improvements in this pool district, which were paid for out of the United States Treasury, and from the general fund of the District, aggregate fully $4,000,000. The profits on these Ring transactions must amount to fully $1,500,000, but notwithstanding this fact Kilbourn avers that of the 2,600,000 square feet held by himself and Latta and Olmstead only 257,123 square feet belong to the Cooke pool, and proposed to settle with the trustees of Cooke's creditors for $40,000, and this proposition was accepted.

Besides the direct pool operations, the most trusted friends of the Ring in and out of Congress speculated largely in property situated in the pool district on their own account, in addition to their secret interests in the pool connections.

HOW SOME ROGUES WERE PAID.

Secor Robeson, in the name of Augustus S. Campbell of Chicago, bought in May, 1872, square 193, containing 155,526 square feet for $79,841, subject to the payment of a heavy mortgage. Part of this square he has since exchanged for Little Emma Stewart's old brown stone house fronting on the Fourteenth street circle.

Secor Robeson's bosom friend, A. G. Cattell, bought in Augnst, 1871, about 35,000 square feet of ground in square 195 for $23,000. He was Boss Shepherd's first choice for District Commissioner, but failing to get him, Ketchum was taken as second best.

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Stewart's pal in the Little Emma Mine swindle, Robert C. Schenck, bought in April, 1871, square 135, containing 35,918 square feet. This is adjacent to Stewart's new mansion.

E. C. Ingersoll, ex-member of Congress from Illinois, formerly Chairman of the District of Columbia Committee of the House, and now a notorious lobbyist and dabbler in street contracts, bought in the spring of 1873 square 137, containing 163,440 square feet, for $80,000, subject to a heavy mortgage. This thriving statesman owns besides over 20,000 square feet in smaller parcels throughout the pool district.

Ex-Senator Joshua Hill, of Georgia, owns square 137, containing 83,780 square feet.

Ex-Attorney General Williams purchased the larger portion of square 159, and has advantageously disposed of the greater part of it.

Ex-member of Congress, Pierce M. B. Young, of Georgia, owns square north of 189.

John O. Evans, the Boss's "squarest contractor," owns square 190, containing 159,264 square feet, besides numerous parcels, and has lots in various parts of the pool district.

Ex-Senator Patterson and ex-member, Young of Georgia, speculated largely in connection with Boss Shepherd in property situated in the pool district, but this is now in the name of either Kilbourne or Latta, trustee, perhaps to cover up interests which the honorable gentlemen do not desire the public to know about.

These facts make it clear that the Real Estate Pool was designed not only to enrich the master spirits of the District Ring proper, but also to afford a means of securing the assistance of influental Federal officeholders and Congressmen, and a perfectly safe way of paying these corrupt men for their services.

A FEW SPECIMEN FRAUDS.

The first step taken by the Board of Public Works after their induction into office presaged dire results. To the suspicion of corruption and jobbery which attached to the Board of Public Works, were added grave doubts of their competency for the performance of the work confided to them. We adduce a few instances. On July 15th, 1870, Congress appropriated at the instance of the speculators, we have outlined above $50,000, "for the purpose of dredging, narrowing or arching over the city canal," under the supervision of the Board of Commissioners, of which General N. Michler, then Commissioner of public buildings and grounds, was the expert member, on condition that the city of Washington should raise by taxation $100,000 for the same purpose. In November, 1870, these Commissioners, Hallet Kilbourne being one, entered into a contract with John O. Evans, under the firm name of Teemyer & Co., "to dredge, clean out and narrow," according to General Michler's plans and specifications. Before any work was done on this contract the same unscrupulous operators procured a clause to be inserted in the appropriation act, approved April 20, 1871, by which all the powers of the Canal Commissioners were transferred to the Board of Public Works, so that the board with A. B. Mullett as its Civil Engineer, became responsible for this work. First under pretence of narrowing the canal, worthless walls were built upon shaky pile foundations, which soon gave way. To hide this jobbery, the Board of Public Works decided to fill up the canal, but before this decision was made the $50,000 appropriated by Congress had been squandered, and in addition, as is admitted by Shepherd in his report, dated February 28th, 1874, to the joint investigating committee, $109,221.61, making a total of $159,221.61 actually thrown into the old canal. Then for filling the canal, favorite contractors were paid in addition to the regular price allowed for grading on the streets in August, 1872, and January, 1873, upon measurements made by Babcock, $122,216.80. And again in January and August, 1873, another sum of $213,550.70 was paid for arching (or making a sewer of) this same canal. And further still, Babcock diverted additional sums for grading reservation Number 2, to pay for filling the canal. This same imbecile policy of doing and undoing this work, has been, and is being continued up to the present day by means of bonds and cash derived from district sources at a total cost so far of about $600,000.

THE TWEED RING OUTDONE.

North Capitol street was put under contract by the old corporation to be paved and improved with a park laid out in the center of the street: the Board of Public Works continued this contract and finished the street at a cost of $66,245.11; but while the contractor was still at work under the contract let by the old corporation, another having a contract from the Board of Public Works, followed tearing up the work just finished. The object of this last improvement (?) of North Capitol street

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was to make property which had been purchased by Shepherd, A. R. Corbin—Grant's brother-in-law—Huntington and others, more valuable by diverting a natural water course which ran through it to the center of the above named street.

In November, 1871, before the special election took place on the second $4,000,000 loan bill, various streets and roads were in process of improvement. Among others, the Seventh street road, a country thoroughfare nearly three miles in length, and leading to Shepherd's country seat, was included in the schedule of the so-called "Comprehensive plan of Improvements" authorized by the Legislative Assembly. The work to be done on this road was estimated, under the head of "repairs," at $2,500. Subsequently Shepherd claimed before a committee of Congress, that this was a typographical error, and that the figures should have been $25,000, and that the repairs were to consist of a new macadamizing of the whole road. The footings of the figures in the columns of which the estimated cost of the various improvements were carried out, branded this sworn statement of Shepherd's as a deliberate falsehood, but still the Committee accepted it as a truth, and it was three years before the entire cost of improving the Seventh street road was discovered. The official figures submitted to Congress in the spring of 1875, show that the enormous sum of $200,239.39 were squandered on this imperfectly constructed road. It cost $70,000 per mile—more than is required to build and equip a railroad the same distance. The direct expenses of registration, advertising, &c., for the two elections in 1871, exceeded $100,000.

LETTING CONTRACTS AND FIXING PRICES.

On August 21st and 25th, 1871, bids were invited for laying wood, tar, Macadam and Belgian pavements, for curbs, sewers, &c., on certain specified streets. The bidders were required to deposit with the Collector of the District $1,000 on each item bid for, as a guarantee that they would conform with any award made. On September 13th Shepherd moved in the Board meeting, that the Collector report the amount of the guarantee fund then received, from whom, and at what date. In this way it was found that responsible contractors outside the Ring had made *bona fide* bids. Thereupon all bids received were rejected, notwithstanding the plighted faith of the Government to award the contracts to the lowest responsible bidder. All the profitable work was then arbitrarily awarded to favorite contractors, at prices established by the Board, which were arrived at by averaging the bids of contractors who were decided by the Board to be responsible. To keep up appearances, outsiders got small contracts for less desirable work at less remunerative rates. Simultaneously it was determined to establish a Property Bureau under the philanthropic pretext of aiding contractors having limited capital. The real object of this system was to enable the ring jobbers to get the benefit of the wide margin between nominal or card prices and the heavy discounts allowed to wholesale customers. By these bold moves, successfully carried out, the ball opened and the jobbing began in real earnest.

In October, 1871, the great Chicago fire occurred, and Governor Cooke called an extra session of the Legislative Assembly for the exclusive purpose of voting $100,000 for the relief of the suffering people of that afflicted city. The issue of five-year bonds was accordingly authorized and negotiated, but it took more than a year's begging to get $67,500 into the hands of the Relief Committee; the balance was swallowed up by commissions and otherwise absorbed.

A WHITEWASHING INVESTIGATION.

By Dec. 1871, the opposition to the Board of Public Works, on the part of the citizens, had assumed formidable proportions. Petitions signed by great numbers were presented to the House of Representatives demanding an investigation. After much opposition on the part of the Ring, the House, on January 22, 1872, directed the Committee on the District of Columbia to investigate the Board of Public Works. The Republican majority of the Committee threw every obstacle in the way of the citizens who were prosecuting the inquiry. Witnesses were bullied, badgered and brow-beaten by attorneys employed by Shepherd to conduct the defense of the Board of Public Works. But notwithstanding all this opposition, the most damaging revelations of Ring rascalities were made. The Republican majority, however, undertook to vindicate the Board of Public Works. We quote extracts from their report as follows:

"The Committee find great cause of commendation for the energy, liberality and generous desire to improve and beautify the National Capital. * * They also find the ordinary and usual errors attendant upon the establishment of a new system of Government; there was inexperience on the part of the many. * * There was a

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lack of careful and cool legislation. * * The new authorities became somewhat intoxicated with the spirit of the movement; * * more work was undertaken at once than was wise. The District authorities at the outset were not sufficiently mindful of the small extent of their official jurisdiction and the slender constituency on which all the public burdens were to rest, and therefore sufficient care was not taken to have rigid economy prevail in every department. These errors were such as time and experience would soon demonstrate, and the Committee find that many of these expenditures have already been curtailed, and a more stringent economy now prevails in the conduct of those public officers. * * * The defects in some of the pavements resulted from the great haste during bad weather. It does not appear in any case that the contractors intentionally laid inferior pavements. All defects are to be remedied by the contractors who are bound by contract and by bond in every case to keep the pavement in good repair for three years. * * * Concrete and wooden pavements are somewhat experimental. Time alone can determine the wisdom of their adoption."

In concluding their report the Committee extol the Governor and the members of the Board of Public Works for "the zeal, energy and wisdom with which they have started the District upon a new career of improvement and prosperity."

A letter of Governor Cooke, dated February 7, 1872, was published with the report, in which he reiterated former pledges by saying, "the $4,000,000 authorized by the first act of the Legislature are all that is deemed necessary to carry out and perfect the general plan of improvement adopted by the Board of Public Works and the Legislature."

AN HONEST MINORITY TELL THE TRUTH.

The minority of the committee, Messrs. Roosevelt and Crebs, in a dissenting report boldly exposed the attempt of the majority to palliate the glaring frauds committed by the Ring, and foretold the bankruptcy impending over the district. They pointed out the fact that the local press of the district had been subsidized by the Ring; that during the few months' existence of the territorial government $143,635.62 had been paid to a few newspapers with a limited circulation for advertising. They denounced the excuse which the Governor and Board of Public Works had put forward for this reckless and profligate expenditure of the public money, which was that by this means the newspapers had been brought to support the $4;000,000 loan bill, and had by their advocacy of the measures of the new government created a favorable sentiment on the part of the people, and thereby brought up the credit of the district in the markets of the world. In concluding their report the minority say, "that the powers assumed and exercised by the Board of Public Works are dangerous to the best interest of the District and the reckless extravagance of all departments of the District Government ought to be checked." But the warning voice of the honest men who composed the minority of this committee was not heeded by the Administration or by Congress. They were maligned and vilified by the subsidized ring organs of the District. On the other hand, the Board of Public Works accepted the vindication tendered it by the House of Representatives not only as an endorsement of all their past acts but as a broad license to do in the future whatever their sweet will might dictate.

THE LEGISLATIVE MILL AGAIN AT WORK.

On May 2d, 1872, the second regular session of the Legislative Assembly met. Governor Cooke addressed them, and among other things, said, "it is a source of peculiar gratification that most of the matters referred to in my first message requiring the immediation attention of the Legislature received such wise and prompt action at your hands, that comparatively little remains to be done at the present session, beyond such current legislation as the rapid growth, increasing prosperity and the annual necessities of the District may demand."

Among the "annual necessities" of the District requiring "current legislation" was a scheme devised by the ring to unload a portion of the indebtedness created by the Board of Public Works on the defunct municipal governments of Washington, Georgetown and the County. On June 20, 1872, the Legislative Assembly passed an act which enabled the territorial Government to defray some of their current expenditures by the issue of an indefinite amount of Washington funding six per cent. gold bonds running thirty years; and to legalize this willful violation of law, an Act was lobbied through Congress confirming the act of the District Legislature. On July 1st, 1874, $1,150,000 of these bonds were found to have been sold and $500,000 more to have been pawned for loans to meet interests falling due, and other outlays of the District Government, for the liquidation of which the Board of Public Works had no legitimate means at their command.

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PREPARING FOR THE FIRST RAID ON THE TREASURY.

The Board of Public Works submitted to the Legislative Assembly at the opening of the second session "a statement of amounts expended for improvements abutting on property of the United States Government." The law for such expenditures not specially authorized by Congress. is found in the third section of the Act of May 5, 1864, entitled "an Act to amend an Act to incorporate the inhabitants of the city of Washington, "passed May, 15, 1820," which directed that "in all cases in which the streets, avenues or alleys of the said city passed through or by any property of the United States the Commissioner of Public Buildings and Grounds shall pay to the duly authorized officers of the corporation the just proportion of the expense incurred in improving such avenue, street or alley which said property bears to the whole cost thereof, to be ascertained in the same manner as the same is apportioned among the individual proprietors of the property improved thereby." In the statement submitted to the Legislative Assembly the bill against the United States was represented to be $192,-620.31. This amount was obtained by a plain violation of the above quoted law which plainly says that the Government of the United States shall pay the same proportion of the cost of the improvement as the owners of individual property. Private property, however, was assessed by the Board of Public Works one third of the whole cost of street improvement, while the United States was charged five-sixths. Under the old municipal law, property on either side of the street, public or private, paid for improvements actually abutting thereon up to the middle of the street, but in order to make the ring jobbery more palatable to the citizens the change in the mode of assessment had been made in the organic act creating the territorial Government.

A TWO HUNDRED THOUSAND HAUL.

The two-thirds of the cost of improvements where private property was alone benefitted was charged to the general fund of the District, and paid out of the $4,000,000 loan, as was also the one-sixth of the cost where Government property bordered one side of the street or avenue improved. By means of this five-sixth charged against the United States, the ring was enabled to assess against the General Government, the private property holders, and the general fund of the District about twice the costs of the improvements.

Mr. Garfield, chairman of the Committee on Appropriations in the House, included in the Sunday Civil Bill, an appropriation to pay the bill of $192,620.30, which the Board of Public Works had footed up against the United States. When the bill came up in the House on May 20th, for discussion, Mr. Garfield, on being questioned in regard to the appropriation, said, "the Board made certain improvements * * opposite reservations and property owned by the United States. In every such case they have made out a full and accurate statement of the expense of grading, paving and other work done on the streets opposite such Government property, and have forwarded to the President of the United States a complete statement of such expenses and an estimate of what the Government of the United States ought to pay, if it placed itself exactly in the place of the Government of the District when the work is done opposite the District property. The President has forwarded this paper to the House of Representatives, and it has been referred to the Committee of Appropriations. The paper gives a detailed and specific statement of work done, and the number of square yards of paving, the number of cubic yards of grading or any other work done, naming the square. * * * The Government, of course, is not bound at all to pay anything, * * the only question is whether the United States will pay its equal share."

Mr. Randall, in reply to Mr. Garfield, said, "why should we donate a sum amounting in the gross to nearly $200,000 to a Board which has shown itself to be reckless and extravagant in its operations."

A FRIEND IN NEED, &C.

This item in the Sunday Civil Bill being voted down in the committee of the whole Mr. Garfield brought up another item of $68,365. "For the proportion of costs properly payable by the United States for filling up the canal and building an intercepting sewer along said canal adjoining property of the United States, payments to be made only upon vouchers approved by the officer in charge of public buildings and grounds."

In discussing this appropriation, Mr. Ambler, of Virginia, said: "I suppose we have all seen as to the manner in which this work is being done. It is not proper to place the Government in the position of bearing a portion of these expenses. I have been

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shown walls at the western end of the canal which were to be pulled down and the filling done again."

Mr. McGREW inquired whether the city of Washington does not claim that the canal is the property of the city.

Mr. GARFIELD replied: "There has been a claim of that sort, but it is now utterly waived."

THE SENATE RESPONDS LIBERALLY.

On June 1st, 1872, the item of $192,620.30 was reported to the Senate by the Committee on Appropriations of that body, and an amendment reducing the appropriation to $150,000 was finally agreed upon with a proviso, "that only so much of the curbing and paving of sidewalks as is necessary for the side of the street adjoining the property of the United States shall be chargeable to the United States, and not more than one-third of the legitimate cost of paving roadways and putting in sewers in front of the property of the United States shall be paid by the Government of the United States."

On June 7th, the item of $68,365, which had been agreed to by the House, and recommended to be stricken out by the Senate Committee on Appropriations, came up for discussion in that body. Senator F. A. Sawyer, of South Carolina, appeared as champion of the Board of Public Works. "He had learned," he said, "by authority, that this money was not for what it claimed to be on the face of the bill, namely, for filling up the canal." "The appropriation" he said "is for quite another work; it is for building a sewer through the President's grounds, and the reservation south of North B street, between Tenth and Twelfth streets, the district paying all the balance, which largely exceeds the amount asked for from the Government. When this whole work is done, filling up the canal, which was provided for by the appropriation of $150,000, there will be about twenty-five acres of land reclaimed belonging to the Government and worth $500,000. But the present appropriation is not for this work. I have had a conference with the Commissioner of Public Buildings and Grounds, and he says the work was done very economically, and that he regards it as an entirely proper expense to be met by the Government. I hope the Senate will nonconcur in the recommendation to strike out."

A USEFUL CARPETBAGGER.

On the misrepresentations from the member of the committee on the District of Columbia, the appropriation was voted by the Senate, but on motion of Senator Edmunds, the declaration of Mr. Garfield in the House, "that the district has utterly waived any claim to lands reclaimed by the filling of the canal," was incorporated in the act by adding "and any land made by the filling of the canal is hereby declared to be the property of the United States."

The Sundry Civil Bill containing the above items was referred to a conference committee. The report of this conference committee, dated June 10th, signed by only four Republicans, Messrs. Garfield and Palmer, on the part of the House, and Messrs. Cole and Edmunds on the part of the Senate, restored $192,620.30 for improvements in front of Government reservations, and left the Senate appropriation for the intercepting sewer intact. [See Congressional Globe, p. 4495.]

In the debate which took place in the Senate on the Sundry Civil Bill, Senator Sawyer speaking, as he declared, by authority, said, "that the Board of Public Works had spent $193,000 in dredging out and improving the canal, and further, that he was informed by Gen. Babcock that the work had been economically done, but that the appropriation of $68,365 was not to be applied to the liquidation of any portion of the expense incurred in these repairs to the canal, but to the payment of the Government's share of the cost of an intercepting sewer along the side of the canal." But notwithstanding this declaration from Gen. Babcock through Sawyer, this appropriation of $68,365, and other sums in addition, amounting to $122,216.80 was, during the next seven months following, applied by Babcock to pay for filling the canal, and within six months more he certified and approved other bills aggregating $213,550.70 as the Government's share of the cost of the intercepting sewer. This was done in the face of the declaration made by Mr. Garfield in the House, that $68,365 included in the Sundry Civil Bill would liquidate the proportion of the cost of filling the canal chargeable to the Government.

A TYPICAL CASE.

The outrageous swindle perpetrated upon the Government for filling the canal, is shown by the following fact. On May 7th, 1874, Governor Shepherd was asked by Senator Allison, Chairman of the Joint Investigating Committee, the following ques-

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tion: "Have you the cost to the Board of Public Works of that filling?" Shepherd answered, "Well, it (the canal) was simply a dumping ground to get rid of the dirt that we carted off from the various streets which we were improving; the earth was dumped there." Being further pressed, he said, "We did pay it for filling up the canal in addition to that it was a dumping ground for our streets; whatever benefit accrued went to the general fund of the district." He admitted that they paid sometimes, but carefully concealed the amount they paid. The Committee on the District of Columbia at the First Session of the Forty-fourth Congress, employed an expert, Mr. John Morris, to examine into this matter. He ascertained that Albert Gleason, a confederate of John O. Evans, Boss Shepherd's "squarest contractor," was paid in 1873 for grading and hauling from certain streets under the head of "filling the canal," for which he had no contract. This payment was made by order of James A. Magruder, the defaulting Treasurer of the Board of Public Works. In 1875 Gleason made a claim under the head of grading the streets, and was paid for the same work about $85,000 more.

We have enlarged upon this fraud of filling the canal because it is a typical case.

MANIPULATING THE ACCOUNTS.

As soon as Congress adjourned the bill for $192,620.30 against the United States, which is stated by Mr. Garfield was forwarded by the Board of Public Works to the President, and by him transmitted to the House and referred to the Committee on Appropriations, was reconstructed by Shepherd to lay the foundation for future attacks upon the Public Treasury. The original bill, as transmitted to the House, is printed in the journal of the council of the District Legislature, volume 4th, second regular session, and the manipulated bill is printed in the report of the Board of Public Works for 1872, page 35. Two measurements, footing up $79,646.42, which appeared in the original bill, were withheld, and in their place charges were interpolated in the manipulated account as work in front of the Government Reservations. The object of this was to make a precedent to justify future charges against the Government. There are numerous little plots of ground scattered about Washington at the intersection of the avenues with cross streets. They are not reservations, but are properly part of the street intersections. The largest of them do not contain 10,000 square feet, yet these little spaces were called by the Board of Public Works Government reservations, and the United States is charged five-sixths of the costs of improving the streets and avenues fronting on them. In this way more than $1,000,000 was finally extracted from the Public Treasury.

PUTTING MONEY WHERE IT WILL DO MOST GOOD.

It was necessary, in order to accomplish their design, in obtaining enormous appropriations from Congress to pay for these improvements about imaginary reservations, that the ring should have serviceable friends on the Committee on Appropriations. A brief account therefore of the way in which James A. Garfield, Chairman of the House Committee on Appropriations was captured and used by the Ring will serve to illustrate Boss Shepherd's method of utilizing contract jobbery.

In the spring of 1872 a needy adventurer named Chittenden came to Washington as the agent of De Golyer & McClellan, a Chicago firm, who wanted a contract to lay a patent wood pavement. He made his first overtures to Huntington, but death interfered. Huntington, as he would have said, "passed in his chips," and Chittenden was well nigh ruined.

But in the midst of his despair a good genius, in the guise of a decayed parson, the Rev. William Colvin Brown, appeared and ministered unto his troubled mind. He cheered his drooping spirits by telling him that he was the spiritual friend of Henry D. Cooke. Chittenden took heart and on the spot arranged terms with the reverend gentleman. The Hon. R. C. Parsons was engaged ostensibly to present the merits of De Golyer No. 2 to the Board of Public Works, but really to secure Congressional influence. He succeeded, and we will let him tell his story in his own language. He says:

MR. PARSONS' STORY.

"I was called home to Cleveland by matters of a pressing private nature, and feeling great solicitude as to the result of my labors and of course of securing my fees, I called upon General Garfield and gave him a history of the case as it then stood, and asked him, as Congress would adjourn in a few days, if he would act for me in my absence, and give the subject a careful investigation. He at first declined on

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the ground of pressing business, but finally assented to have me send the model, books, papers, &c., to his house for examination. After a day or two I called upon him, and he said he would prepare an opinion as to the merits of the patent and attend to the case for me. I said to him I had a fee in the case of importance to me, and would be glad to share it with him. The same day, or day after, I left for Cleveland, and when I received my fee some considerable time after from my clients at Chicago, I deposited General Garfield's to his credit in bank, and so wrote him."

"Q. (By Chairman) Have you any objection to stating the amount recived by you? A. Not at all, sir."

"Q. State the amount received? A. I received from Mr. Chittenden, at the time I was retained, or within a few days afterward, I think, his check for $5,000, with the understanding that if an award was made covering the amount of his contract, as he had been promised, that I should receive a contingent fee of $10,000, which some time afterward was sent to me from Chicago. The total amount received by me was $15,000."

THE IMPORTANCE OF GARFIELD'S AID.

Chittenden, in a letter to his principals, written at the time this arrangement was made with General Garfield, said: "To-day's and to-night's work has secured the assistance of General Garfield. You cannot overrate the importance of this accession. He is the Chairman of the Committee on Appropriations, and holds the *purse strings of the National Treasury.* Through him must come every dollar of appropriations. I need not say that I now feel certain of success."

He was not mistaken. His case was probably won before arrangements were made with Colonel Moore, Shepherd's partner and confidential business man; but the moment the Boss received Garfield's opinion of the merits of De Golyer No. 2, he must have been half wild with joy. It was worth millions to him. The award for the 200,000 yards of pavement was made out at once by the Boss in his private office, at his store on Pennsylvania avenue. This paper, with Garfield's signature to it, was a magic wand in Shepherd's hands.

HOW IT WAS PAID FOR.

On the 11th of May the formal new application for De Golyer No. 2 is on record. On May 20, 1872, Garfield, as Chairman of the Committee on Appropriations, reported the appropriations in favor of the Board of Public Works, and advocated them in a speech of some length. They were finally passed on June 10th, as heretofore stated, the vote in the House being 102 ayes to 79 nays. On June 25, following, the award of 200,000 square yards of wood pavement was made by Shepherd to the clients of Parsons & Garfield, notwithstanding the Scientific Advisory Board, of which so much was said by the Ring, had, on May 10, preceding, condemned the ironizing process used by De Golyer & McClellan for preserving the wood used in laying the De Golyer No. 2 pavement.

The testimony of John C. Cook, the book-keeper of De Golyer & McClellan, on the payment of Garfield & Parsons, is as follows:

"My transit account, showing a disposition of $97,000 is as follows: "May 2—Col. P." (meaning Colonel Parsons), "$5,000." "July 12—Bills payable, $72,000." No explanation. "July 12—R. C. P." (meaning Richard C. Parsons), "$10,000." "July 12—W. C. B." (meaning William Colvin Brown), "$10,000."

"Q. Does that show the date of those transactions? A. It shows it as it was represented to me."

These facts tell their own sad story and need no comment.

THE DISTRICT JAIL JOB.

During this session of Congress another job, which had been set on foot some time previous, but suffered to remain quiescent for a time, was again revived. This was the building of a new district jail.

The history of this piece of jobbery is very interesting, and the impartial reader will, after a perusal of it, doubtless conclude that since this reformatory institution is completed, among its first tenants should be about a score of the knaves who have been robbing the National Treasury under the pretence of building a prison for rogues.

On the 25th of July, 1866, an act authorizing the building of a new jail for the District of Columbia, under the direction of the Secretary of the Interior, on one of the Government reservations, was passed by Congress. It was to have sufficient capacity to accommodate 300 prisoners, and was not to cost more than $200,000. The Secretary of the Interior was to advertise for proposals, and to let the work to the

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lowest responsible bidder, who was to give ample security for the faithful performance of his contract. The Interior Department was then, as now, managed in the interest of Rings of every imaginable description, and of course the contract had to be let to some one who was willing to divide. Reservation No. 17 was selected as the site of the jail. This ground is south of the Capitol, between New Jersey and Virginia avenues, and D street (southerly) and South Capitol street, and is but a few feet above tide water. The location was in every way unsuitable for a jail, and there could have been but one argument advanced in favor of it—its proximity to the Capitol. With the black and forbidding walls of an institution of this kind perpetually staring corrupt Republican Congressmen in the face, there was a bare possibility that the influence might prove a salutary one.

JOBBERY DISCOVERED.

At the next session of Congress sufficient evidence was submitted to the Committee on Public Buildings and Grounds to convince it that there was jobbery in the letting under the act of the previous year, and hence Congress passed a resolution March 2, 1867, forbidding the payment of any more money under the contract until the plans were completed, and requiring a suspension of all operations "unless the letting of such contract shall have been open to fair and equal competition" after public advertisement. But this requirement was evaded, and the Secretary of the Interior, Mr. Browning, authorized contracts to be made with various parties, and during that year $30,856.38 were spent, of which the Disbursing Agent appointed by the Secretary of the Interior, stole $14,987.86. The defaulter was sued, but neither the criminal case against him, nor the civil one against his sureties have been tried. What little work was done on the foundations of the jail was badly done with inferior material, so that Congress, on Jan. 11, 1868, again ordered a suspension of the contracts. Subsequent legislation declaring "the contracts attempted to be made under the act as null and void," passed the House of Representatives Feb. 29, 1868, and was reported favorably in the Senate by Mr. Fessenden, but failed to pass that body, those interested in the Browning contracts having sufficient influence to defeat it.

BOSS SHEPHERD APPEARS.

It was not till the spring of 1872 that the job was resuscitated under the auspices of the District Ring. On the 16th of February, 1872, the House of Representatives passed a new Act creating a Board of Commissioners, consisting of Secretary Delano, Gov. Henry D. Cooke and Chief Justice D. K. Carter, and empowered these persons to "carry out the former acts." They were to select a new site, and to push forward the construction without any delay.

The Act passed the Senate June 1st, 1872, with amendments which were advocated by Senator J. W. Patterson of New Hampshire, Shepherd's partner in real estate speculations. These amendments increased the appropriation to $300,000 and made it immediately available. Of this $125,000 was to be reimbursed by the District of Columbia. A. B. Mullett was by these amendments also made Supervising Architect. One of the objections which had been urged against the site selected by Browning on Reservation No. 17 was its great distance from the Court House, but the first act of the new commission was to increase this remoteness a mile and a half. Another serious objection to the first location was the prevalence of malaria along the lower Tiber creek valley, but the new site was selected on the very brink of the wide-spread mosquito-breeding and miasma-exhaling marshes of the eastern branch, where Boss Shepherd and Moses Kelley owned about 1,250,000 square feet of city lots and a farm mostly located in the marshes. This ground owned by these two worthies is assessed at from three mills to one and two cents per foot, but the erection of the jail in this neighborhood and the extensive improvements made by the District Commissioners have largely increased its value.

THE SENECA SANDSTONE RING.

There were some difficulties, however, in the way of the new crowd who were managing this jail job. Boss Shepherd, the guiding spirit of the new combination, was beleaguered by the Browning gang of contractors who had paid heavy blackmail; and, therefore, Mullett adopted the percentage system in contracting for the material and labor. The Seneca stone Ring of course got the contract for furnishing the stone, and as this material loses largely in dressing, it was bought by the ton delivered in its rough state, just as it came from the quarries. Tens of thousands of tons of worthless stones were received; and when the jail was completed there was more debris from rotten and worthless material encumbering the ground, than there was good material

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in the walls. This debris, favorite contractors, who were laying concrete pavement, carted off and used for the foundation on which their tar poultices were to be placed. A skilled master stone cutter was first placed in charge of this branch of work, but in a little while he was pushed aside to make a place for the father of Levi P. Luckey, one of Grant's private secretaries, a carpenter by trade, and imported expressly for the place from Illinois. That there were vast sums of money wasted under such a management is apparent.

MULLETT'S LAVISH EXPENDITURE.

Before the walls of one-half the building were up to the square the appropriation of $300,000 was exhausted, and Mullett asked, June 4, 1874, for another of $235,548.93, reprimanding Congress at the same time for presuming to place a limit on the cost of a building constructing under his supervision. To afford a thin excuse for doubling the cost of the jail, Mullett informed Congress that "the building could also be used as a penitentiary by the simple addition of workshops," and the representatives of the people apparently swallowed this as gospel truth, when the truth is that the building will not afford, when completed, any more room than will be required to accommodate the petty criminals of this District.

Mullett, for a wonder, did not get what he asked for. Congress in 1874 only appropriated $50,000, but in the succeeding spring the remainder of the sum asked for in June, 1874, was granted. The failure of Congress, however, to make appropriations seldom interfered with Mullett's plans. He went on making contracts as if nothing had been refused; and when his successor came in, he found that all the work and material had been contracted for in advance, not only of the appropriations, but of the progress of the building. A heating apparatus, among other things, had been engaged at a cost of $29,900, before one-half of the structure was ready for the roof, and a whole year in advance of any appropriation therefor. In the same way he had let $12,000 worth of plumbing to Boss Shepherd, and had thrown in a contract for kitchen utensils to cost $5,671. Under competent and honest management this building could have been built, even in its present unjustifiable shape, within the original appropriation. As it is, $540,000 have been expended, and the jail is not yet completed, and an appropriation of $67,000 is asked to finish the work.

A DODGE TO COVER UP FRAUD.

In the spring of 1872 the exposures made by the *New York Sun* of the frauds practiced by the District Ring began to attract public attention. It was notorious that wood pavements had proved an utter failure in every city where they had been tried; but, notwithstanding this, the Board of Public Works was at that time letting contracts for miles and miles of street to be paved with wood. In order to have some pretext for justification in the future when these pavements were rotten, Shepherd appointed what he styled an Advisory Board, consisting of Gen. M. C. Meigs, A. A. Humphreys, J. K. Barnes, O. E. Babcock and Fred Law Olmstead. On February 12th this Advisory Board was officially requested to report on the best preservative process for wood pavements. In answer thereto the Advisory Board, under date of May 15th, after discussing in an elaborate manner the various patent pavements, concluded as follows: "The question submitted for our opinion is, what preservative process shall be adopted in the future use of wood pavements in this District? In our opinion the process of Seeley gives promise of best success. The Board is informed that prepared wood pavements cost $3.50 per square yard * * * and recommends that wood pavement be laid only where existing contracts or some other exceptional reason demands them."

In defiant contempt of the recommendation of this Advisory Board, Shepherd, within forty-eight hours after it had been submitted to the Board of Public Works, changed an award made on September 20th, 1871, to John O. Evans, for a concrete pavement on West Pennsylvania avenue, between 18th street and Georgetown, and on Bridge street, in Georgetown to wood pavement, the material of which was treated, not by the process endorsed by the Advisory Board, but by another owned by Evans.

For this wood pavement Evans was paid $181,649.58, in cash. He guaranteed to keep it in good repair for three years. In the summer of 1875, Evans was officially notified that this pavement was thoroughly rotten and must be put in repair. He, however, took no notice of this notification, and a concrete pavement was put down in the place of Evans' rotten wood pavement, at a cost to the District of $131,407. For this work W. C. Murdock, a figure-head who represented Evans, was paid $91,297.59. Evans was required to give bonds for the faithful performance of his contracts; and, as

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yet the District authorities have taken no steps to recover from him the cost of repairing this street.

MURDER COMMITTED.

By the fall of 1872, the Ring, having the support and encouragement of the President, and vindicated by Congress, hesitated at nothing. The reservation at the intersection of New York and Massachusetts avenues with 7th street, was then partially occupied by the Northern Liberty Market House. The market men had rented their stalls and paid for them in advance to the city. Shepherd determined to improve this square and to have the market house torn down and removed. Knowledge of this by some means came to the market men, and they determined to sue out an injunction to restrain the Board of Public Works from destroying their property. Shepherd, however, was too quick for them, and had the only judge then in the city invited to dine in the country, while Gen. Babcock organized a strong force of laborers employed on the Public Grounds, and after nightfall the destruction of the market-house was consummated. Some persons who owned stalls in the market, discovering what was going on, attempted to remove their meat and other things they had placed there for the next day's market and two of them were crushed to death beneath the falling walls.

FALSE REPORTS MADE TO CONGRESS.

The contracts let and the work commenced during the spring, summer and fall of 1872, contemplated an expenditure far exceeding the resources of the District. The proceeds of the $4,000,000 loan had been absorbed and the appropriations made by Congress were swallowed up, and in addition certificates of indebtedness had been issued in large amounts. But, notwithstanding, it was patent to every person acquainted with the condition of the District, that the Board of Public Works was largely in debt, they, on the 1st day of November, in their report to the President, claimed that they had an unexpended balance to their credit of $1,403,173.27. This, however, they admitted was largely made up of the charge against the United States for "the proportion due for improvements bordering on reservations and other government property," which they claimed amounted to $1,240,920.22. Deducting this unsettled claim from their alleged balance of $1,403,173.27 would leave them in actual cash, according to their representations, $162,253.03. That there was no such balance in existence is shown by report of the Board of Audit, which, in speaking of Magruder's accounts, says that at the above mentioned date he had overdrawn his cash account to the amount of $136,193.73

THE INVESTMENT IN GARFIELD PAYS.

Toward the close of November, 1872, the complaints of the citizens against the arbitrary and oppressive manner in which the Ring was prosecuting improvements became very loud and bitter; Congressmen returning to the Capital in advance of the meeting of Congress were called upon by outraged property holders and besought to interfere. A great pressure was brought to bear upon Gen. Garfield, the Chairman of the Committee on appropriaitons, to induce him to use his power to restrain the extravagance and recklessness of the Board of Public Works.

He listened for a time to the complaints of the tax-payers, and even promised them his assistance; but in a few days it was noised abroad that Garfield would take a stand at the approaching session of Congress against the Ring, and, of course, this news soon came to Shepherd's ears. According to the account of one of his associates who was present, when this information was conveyed to the Boss, he simply remarked that he had a paper in his drawer which would keep Garfield straight, and thereupon drew out the argument which Mr. Garfield, the Chairman of the Committee on Appropriations, had submitted to the Board of Public Works in favor of the De Golyer pavement job.

The claim for the $1,240,920 against the United States for improvements bordering on reservations and other Government property, was presented to Congress early in December, 1872, accompanied by a detailed statement of the same, and was referred to the Committee on Appropriations. On December 16th, Gen. Garfield, in reporting the Deficiency Bill, made an ingenious argument in explanation of the Section which appropriated the money to liquidate this claim. In closing, he said, "The Committee have come to the conclusion to recommend an appropriation in gross covering sums set down in detail on pages 47 to 51 Report of the Board of Public Works. Gentlemen will find further the detailed statement of the number of lineal feet of curb, cubical feet of grading, and square yards of pavement, and so on, with the rate and total cost of each. The Committee have come to the conclusion that it is their duty to ask

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the House to appropriate the sum total as the proper share the United States ought to pay for the work thus done."

A CHARACTERISTIC RING TRICK.

Mr. Holman of Indiana said: "I have searched every avenue of information about this Capitol, your Document-room, your Folding-room and everywhere else, to ascertain data upon which it is proposed to appropriate $1,250,000, and I cannot find any scrap of information bearing upon the subject. It may be that the Committee on Appropriations are possessed of certain private information of their own, but the public sources of information about this Capitol furnish no data. I have seen upon the desk of the gentleman from Ohio (Mr. Garfield) a blue-covered book which seems to be a public document, but I venture to say that up to this hour not a dozen members upon this floor have had access to this document to which the gentleman has reference. Will the gentleman say that that report is one of the public documents within the reach of every member of this House?"

Mr. GARFIELD replied: "I suppose it to be. It is a report made to the President, and by him submitted to Congress."

Mr. HOLMAN: Does not the gentleman know that it is not a public document?

Mr. GARFIELD: "It is a document submitted to Congress by the President, and one to which he calls attention in his message; there can be no more public document than that."

Mr. HOLMAN: "Will the gentleman tell us where we can obtain a copy?"

Mr. GARFIELD: "I suppose it can be obtained at the Folding-room."

Mr HOLMAN: "It is not at the Folding-room."

Mr. GARFIELD: "I never heard the point raised before. This is as public a document as any, unless it be the Constitution of our country."

Mr. FARNSWORTH said: "We are asked in a lump in a Deficiency Bill, and in great haste, because we are told that they must have the money before the holidays, or people will starve. We are asked to vote this immense amount of money to discharge an obligation incurred in violation of law."

It was one of the tricks of the Ring to have a few copies of their report printed in advance of submitting it to the President, and these were supplied to the Committee on Appropriations of the Senate and the House. In the meantime, by collusion with the public printer, further printing of it was stopped, and those members of Congress not in the confidence of the Ring were unable to obtain copies of it.

GARFIELD STANDS BY HIS EMPLOYERS.

Mr. GARFIELD consistently stood by his employers, and his influence was sufficient to rally the Republican side almost solid to the support of the Ring, and without data to show for what the money was to be paid it was voted. The Deficiency Bill passed on December 19th. However, to make a show of placing some check upon the Board of Public Works, the following proviso was inserted in the bill: "That payment was only to be made upon vouchers approved by the officer in charge of the public grounds of the District of Columbia, after examination and measurement of the work." Mr. Holman, after repeated efforts, finally succeeded in having a further proviso inserted that "the Board of Public works be and the same are hereby prohibited from incurring or contracting further liabilities on behalf of the United States in the improvement of streets, alleys, avenues and reservations, beyond the amount of appropriations previously made by Congress, and from entering into any contracts touching said improvements on behalf of the United States, except in pursuance of appropriations made by Congress." A motion made by Mr. Holman to substitute three engineers of the army to be detailed by the Chief of Engineers, to examine and measure this work, was defeated by a vote of 52 yeas to 81 nays.

THE SENATE STILL LIBERAL.

The Deficiency Bill reached the Senate December the 19th. After some brief discussion it was, in the face of strenous opposition on the part of several Republican Senators, slightly amended, so as to require Babcock in addition to measuring the work to approve the prices charged therefor. The vigor with which the united strength of the Ring was pressing the appropriation attracted attention and confirmed the assertions made in the House of Representatives that the Treasury of the District was actually bankrupt. Senator Sherman, in advocating the speedy passage of the bill, implored the Senate to trust to Babcock. He said: "We appropriate every year up to $500,000 to be expended under the direction of the Superintendent of Public Buildings

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and Grounds, and I doubt if Senators can find that the reports of that officer are ever re-examined by another officer." Senator Windom, who reported the bill, said; "We shall alleviate much suffering by passing the bill, so that the parties who are dependent upon it may know that their day is to come, and while we are devoting ourselves to our holiday enjoyments, we may at least know that these parties may get a lunch." Senator Morrill, of Maine, said: "Something is due to the hard-handed men, some six or seven thousand, who have been at work here. We ought to place this bill in a position to give this city a sort of credit that will enable her to go over the holidays."

The Senatorial friends of the ring in attempting to account for the deranged finances of the District said that it was caused by the Boston fire and the failure to collect special assessments. The first they claimed prevented the negotiations of bonds, and the latter arose from the factious opposition of a few malcontents and obstructionists among the property holders. This argument apparently satisfied Senator Morrill, of Maine, who said: "For these two reasons, one the special taxation and the other the failure to negotiate bonds, the Board of Public Works are without means to pay the workmen. If they had conformed to the law and had accomplished these results without exceeding the limits of the law, the $4,000,000 they were authorized to use, I do not think there can be any charge of fraud upon the Board that can be justified. I believe their statements where I know nothing to the contrary." The bill passed the Senate, December 20th, by a vote of 22 to 21. Senator Saulsbury of Delaware gave the casting vote, and in explanation he said: "I vote 'Aye,' in tender mercy to the taxpayers of the district, many of whom have been injured by the action of this Board of Public Works."

BABCOCK'S LIGHTNING CALCULATORS.

The holidays intervening the amended bill did not pass the House until January 7, 1873, and was approved and became a law January 8th. On January 10th, two days later, an account footing up $1,240,920.84, with the approval of Gen. Babcock attached, certifying that he had had the proper examination made and the measurements verified and prices approved, was presented at the Treasury Department. It was a voluminous document, containing several thousand items of measurement, but nevertheless it passed the First Auditor, the First Comptroller, and reached the warrant division on the same day. The next day, January 11, the Assistant Treasurer issued three warrants for the amount, which were registered by the Register of the Treasury, and handed over to Gov. Cooke and Treasurer Magruder. This unprecedented activity in examining, measuring, verifying, approving, auditing, controlling, issuing and registering warrants and drafts, whereby a million and a quarter of the people's money was emptied into the even then insolvent Board's treasury, was so much at variance with the time-honored rules of red tape that curiosity and suspicions were aroused which finally led to the exposure of the frauds. The Hon. Robert B. Roosevelt, who was prevented by sickness from attending the session of the House during the debate on this appropriation. made, on January 24th, a vigorous ouslaught on the Board of Public Works, *and charged and proved by irrefutable facts that their detailed statement of the cost of work alleged to have been done around the Government property was false in detail and in gross.* This speech produced such a profound sensation in the House that Shepherd did not dare have any more appropriations for the District originated in the House at this session.

CARPET-BAG SAWYER GETS IN HIS WORK.

The Sundry Civil Appropriation Bill for 1873–4 was reported to the House on February 11, and passed on February 24, without the District being mentioned in any way. It was received in the Senate February 24, referred to the Committee on Appropriations, and reported back to the Senate February 26, and discussed February 28 and March 1. Senator Sawyer, who has since then become notorious as Assistant Secretary of the Treasury, by his connection with the Sanborn contracts, took care of the Ring interests. He reported four amendments, appropriating a sum total of $2,814,695.31 to reimburse the Board of Public Works and continue improvements. The first two amendments having been fluently read and rapidly passed, the pertinent question was asked, "Who gave this Board of Public Works authority to create these obligations? The other day we passed a heavy sum, and here is another million of dollars." Senator Hamlin, interrupting, said, "We ought to make it two" (see *Congressional Globe*, p. 1968). Senator Cole, Chairman of the Committee on Appropriations, ignoring the heavy amounts for reimbursements, said: "This question I will answer by stating that in the law we passed

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about the 7th of January there was embraced a proviso which is a complete prohibition upon any liabilities to be incurred by the city Government in the improvements unless appropriations are first made by Congress. If the Senator has that law by him he will see that it puts a complete stop upon all the public works here until provision is made by Congress."

PROMISES MADE TO BE BROKEN.

Mr. Stevenson asked: "This is to complete these improvements?"

Mr. Cole replied: "Yes, sir; I suppose the authorities of the District would have been at liberty to go on, or would have gone on, but for that absolute prohibition, the word being 'prohibited,' so that they must absolutely stop for a whole year or more unless there is provision made by act of Congress."

At this point Senator Sawyer moved the third amendment reported by the committeee, which provided for the continuation of the work, and said:

"I wish to say a single word in reference to this item of $913,000. It is made up in detail by papers in the hands of the committee, giving the exact measurements, localities, and prices of the cost of the work certified by the Surveyor of the District of Columbia, who was for many years the public measurer for the Government. If the Senator desires we can show him the prices of every kind of work. The detailed statement is in the hands of the committee, and the committee will have no objection to put any safeguards in the appropriation which are in the act of January 8.

"Mr. Casserly—If the Senator from South Carolina will agree to insert from that law in the appropriation the same safeguards and restrictions, I certainly have no desire to oppose the appropriation."

"The Presiding Officer—With that understanding, if there be no objection, the amendment will be agreed to."

"There being no objection, the amendment was agreed to."

ANOTHER MILLION AND A HALF.

The fourth amendment to the Sundry Civil Bill was not moved by the Committee on Appropriations, but came from the Committee on the District of Columbia, through Senator Sawyer, and was offered at one o'clock on the night of March 2d, but one day before the adjournment of Congress. It was "to reimburse the city of Washington for improvements on avenues $1,606,662.30." Senator Casserly asked "This is a very large item to be brought in here at this hour of the night. Where does it come from, and what are the grounds for it?" Senator Sawyer answered, "The item is made up in this way: there has been expended in this city since the year 1802 by the city government of Washington on avenues and streets the sum of $891,000, and by the present Board of Public Works over $1,200,000, making an aggregate of about $2,128,371. These avenues, thirty-five miles in length, and of twice the width of other streets, being named after the States, are a national feature of the national capital, therefore it was deemed proper by the District Committee to reimburse the city. * * * Under the late appropriations of June 10th last, January 8th, 1873, &c., the sum of $521,709.62 have been provided for, thus leaving the sum placed in the amendment." As a guarantee to the proper examination of the claim Sawyer referred to Babcock in these words: "This officer, in whose judgment, skill and economy, I believe every member of this body has the most implicit confidence, has the measurement of the work and approval of the prices paid."

THE GLARING FRAUD EXPOSED.

It is necessary, before proceeding further, to expose the glaring fraud by which this bill against the United States for more than a million and a half of dollars was allowed, was concocted.

The general Government had, besides the periodical settlement of all true bills presented, squared up in full at different periods all the legitimate charges against the United States for work done on those avenues; for instance, a bill was passed for the relief of the incorporated cities of the District, by which an appropriation of $1,155,058 was made, and at another time the general Government assumed a debt of $780,000, contracted by the cities of the District, and again by purchasing and donating to the city the property of the Washington Canal Company. Carpet-bagger Sawyer, therefore, taking advantage of the want of information among Senators, and of the late hour at which the amendment was introduced, enabled the Ring to steal this vast sum of money from the public Treasury. At a later date the data upon which Sawyer based his claims were proved to have been fabricated at the dictation of Shepherd, by his surveyor and

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deputy engineer, as will appear by the examination of the latter before the Investigating Committee of 1874:

"Q. Did you make up an account for work that was done by the Board prior to the organization of the Board of Public Works of the city of Washington? A. Yes, sir; but it was not one million of dollars. There was an account made out, I think, for $1,632,000, or something like that.

Q. You made out such an account? A. There was such an account made out.

Q. Who made it out? A. I think Mr. Forsyth and me.

Q. Where did you make up that statement? A. It was made up at the office, but no copy taken.

Q. Did you make any survey? A. No, sir; no surveys were made at all.

Q. Then, if I understand you, the mode in which you made up that statement amounting to $1,632,000 was that you and Mr. Forsyth were together in the office of the Board of Public Works, and Mr. Forsyth made statements to you from recollection of work that had been done by the old corporation of whatever that amounted to? A. It was purely from his recollection as to that amount."

In this loose manner a Republican Congress voted away millions of the people's money for the benefit of the District Ring rogues.

BOSS SHEPHERD'S MATCHLESS EFFRONTERY.

We return to the debate in the Senate. Senator Ferry of Michigan, from the District Committee, moved to reduce Sawyer's amendment to $800,000, and said that he had voted for the former amendment, but the additional proposition came in to compel the Treasurer of the United States to pay for all the expenses of the avenues of the city against former declarations. He could support no such theory, He thought the first theory was to assess on Government the expenditures incurred for one-half the avenues in consequence of their double width as compared with the streets, and the remaining portion of the expenditure should be treated as all other street improvements are provided for. He continued by declaring that in January it was stated before the District Committee that the one and a quarter million covered the whole and was substantially all that was asked for. He concluded by saying that "The question of removing the Capital is substantially at rest, yet if the friends of the measure desire to reopen the question no better method can be employed than by asking the people at large to defray expenditures incurred here of the character proposed by the Senator from South Carolina."

A compromise was finally made between Sawyer and Ferry, and one million dollars was agreed upon and the amendment adopted.

One year later Shepherd, with matchless effrontery, asked for the balance of $606,662 30, as "left over from last year." No better proof could be produced that he to all intents and purposes owned the Republican Congress.

THE HOUSE CONCURS IN THE SENATE JOBS.

The Sundry Civil Bill reached the House after one o'clock on the morning of Sunday, March 2d, and was, on motion of Mr. Garfield, referred to a conference committee of which Sargent of California on the part of the House, and Cole and Sawyer, on the part of the Senate, were influential members, This Committee reported during the closing hours of the session in the House, through Sargent, who outdid his predecessor Garfield, and made his *debut* in a brilliant career of future usefulness to the District Ring. Notwithstanding the determined protest of the leading Democrats of the House amid the exciting scenes of the debates on the Credit Mobilier scandal and the Salary Grab, all the appropriations were left intact as the Senate had originally agreed to them in the amount of $2,208,033.

But this enormous appropriation was not enough to satiate the craving appetite of the Ring robbers. Senator Spencer, of Alabama, one of the ring tools, had endeavored to include in the Sundry Civil Bill an item of $150,000 for the purchase of the District's half interest in the old City Hall of Washington, but had not succeeded. An effort was now made in the House to insert an appropriation for the same purpose in a Deficiency Bill. Garfield originally asked for $100,000, but a strong opposition being manifested, he fell to $75,000, and claimed that it had been left out by a clerical error. Objection was made, but Speaker Blaine overruled the objection by the strange decision that "this appropriation comes under the head of contingent expenses to carry on the Government." It was provided that the money was to be applied to the building of a new City Hall, and the Board of Public Works was authorized "to secure land on Pennsylvania avenue and Louisiana avenue, between Seventh and Ninth streets." There

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was no other land within these prescribed limits save that which had been given in 1870 to the Washington Market Company.

HOW THE RING WENT FOR THE MONEY!

Thus, by this legislation, a corrupt bargain previously made between the Board of Public Works and the officers of the Market Company was ratified. By this contract the Market Company was released from the payment of an annual rental, which under their charter they were obliged to contribute to the poor fund of the district. In drawing the money thus appropriated from the Treasury, no attention was paid to the different heads under which it was obtained. Under the second head $106,533 was claimed for work done from November 1st, 1872 (the date of the first account for a million and a quarter with fraudulent items), to January 8th, 1873, when the above was passed. But, in fact, to make up the full amount of $1,240,000, paid January 11th, 1873, work had to be measured which had not been begun at the time, though Gen. Babcock solemnly certified that it was completed. Three of the four sums appropriated were made available immediately, so as to relieve once more the bankrupt District Treasury. The fourth item, "For completing improvements now in progress," $913,497.26, fell due on July 1st; and on the 23d of September the last instalment of $63,021.45 was drawn. In order to make up this total, Babcock's measurers stretched their elastic tape lines to the utmost of their wonderful capacity, and did miracles in inventing facts and misconstruing laws in order to enable the Ring to draw this money before the work was done. On August 12th, Shepherd caused to be published in the Ring newspapers an order directing the excavation for a new City Hall to be commenced, and a few days thereafter one of his favorite contractors, with a score of workmen and a baker's dozen of carts, began the work, and continued it for a day and a half. Almost as soon as the first pick was struck into the ground, Treasurer Magruder made application for the $75,000 appropriated by Congress to pay for the District's interest in the old City Hall. This money, according to the terms of the law appropriating it, was to be used for no other purpose than the erection of a new City Hall; but, as soon as the money was obtained from the Treasury, the excavation for the foundations of the new City Hall ceased. The $75,000 was appropriated by the Board of Public Works, and Magruder set aside $80,000 of the worthless and unsalable securities issued by the Ring to be applied in the distant future to the building of a new City Hall.

SAWYER AND SARGENT REWARDED.

For the services that Senator Sawyer had rendered to the Ring, his appointment as Assistant Secretary of the Treasury was secured by Shepherd's and Babcock's influence with the President. In the following year, however, he was, after having been detected in procuring the payment of several fraudulent claims, forced to resign by Secretary Bristow. On the 15th of March, the treasurer of the Board of Public Works presented at the Treasury Department the first batch of Babcock's measurements under the new appropritaion, amounting to $1,113,598.73. On the same day, Hallet Kilbourne, the trustee of the Cooke branch of the Real Estate Pool and the middle man of the contract pool, made the following deed, as per record: "Hallet Kilbourne, trustee to Aaron A. Sergeant; deed executed March 15th, 1873; recorded March 22d, 1873, in Liber 712, folio 333, lots 1 and 2 in square 136; consideration of $22,000." These lots front on the square at the intersection of Connecticut and Massachusetts avenue, which was christened "Pacific Place" by Babcock to tickle the fancy of the chiefs of the Pacific Coast Ring, who were about to colonize the vacant land thereabouts under the lead of "Emma Mine" Stewart, who was then erecting on the north side of the circle a proud castle, which soon came to be known as "Honest Miner's Camp." The modest homestead conveyed to Sargent contained 24,521 square feet; $5,500 were to be paid in cash; the rest was secured by notes running one, two and three years. These notes were never paid, and in the summer of 1875 Shepherd gave him in exchange forthe same a house and lot at the corner of Connecticut avenue and De Sales street.

A ROSE-COLORED PICTURE.

On April 28th, 1873, the District Legislature met for its third regular session, and by this time the District was fully reconstructed on the basis of fraud and corruption. Governor Cooke, in welcoming his co-laborers, said in his message "A kind Providence has vouchsafed to the people of the District a year of unprecedented prosperity and progress. Much has been accomplished in perfecting and systematizing the operations of the new Government in the work of internal im-

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provements and in securing the generous co-operation of Congress. * * * You enter upon your third regular session under circumstances full of encouragement. Much has been accomplished by your predecessors, and the pathway of the future is clear in the light of the past and the present. In accordance with my suggestion, appropriations for the current year were based upon careful estimates furnished by the proper officers, and revised by the Legislature. They were made, however, upon incompleted assessments, and these afterwards fell short of the estimates. The net amount of taxes and licenses is about $1,500,000, of which $856,597 have been collected, leaving, including arrearages of all forms, a balance of $619,000 due the District and the old corporation. Last year's legislation was the first attempt at systematizing and balancing the revenues and expenditures. The accuracy of your estimate is very gratifying. In the future you can legislate upon the basis with almost absolute exactness. * * * I recommend that in lieu of the annual tax sales which have hardly yielded more than the expenses of sale and collection, the issue of interest bearing tax lien certificates against the property of delinquents, after due notice by legal process. This will place the entire uncollected tax levy into the Treasury at the expiration of each fiscal year. * * * The cash receipts of the District Government on its own account and that of the late corporations, from June, 1871, to December 31st, 1872, a period of nineteen months, have been $10,007,676.21, and the expenditures amount to $9,913,716.64, leaving in the District Treasury, on January 1st, 1873, $93,960.70. * * * The funded debt cannot, under the legal restrictions, exceed $10,000,000. It is now $9,016,891, and is gradually being reduced by the sinking fund commission, thus rendering what remains more desirable to investors. * * * The exhibits made of the energetic, careful and skilful administration, by the Board of Public Works, excites gratification, local pride and the admiration of visitors."

STILL OTHER RAIDS ON THE TREASURY.

"The liberal appropriations by Congress, in addition to the receipts stated before, proclaim the fact that the whole country is determined to make the metropolis a worthy seat of Government. The total amount of accounts audited is $9,770,621.50, of which there remain liabilities in amount $1,449,740.86, to this must be added $474,304.92 for completion of work under contract. To meet this there will be realized from assessments on private property and the balance due from the District $2,179,549.11. After July 1st, 1873, a United States appropriation of $913,000 for new work will also be available and yield an additional $300,000 from assessments on private property. * * * Owing to the extent of the improvements, the amount of special assessments consequent thereon, will be large. It will afford relief to the taxpayers, if the time, for the payment of these assessments can be extended over a period of years. These assessments cannot now be made until the completion of the concerned improvements; hence, a large portion of the resources of the Board are for the time unavailable. To remedy this, and thus relieve creditors and taxpayers, the issue of interest-bearing coupon certificates might be authorized, and the assessment certificates be hypothecated as collateral security for their redemption with the Commissioners of the Sinking Fund, who shall collect such assessment certificates and redeem the certificates of indebtedness."

The message winds up as follows: "these facts * * * attest, with an emphasis that cannot be successfully assailed, the confidence and faith of the people of the District in the wisdom of these expenditures and the integrity which has characterized their management."

NOT INTENDED FOR HOME CONSUMPTION.

This grandiloquent communication was evidently intended to impress foreign capitalists rather than to meet the approbation of the citizens of the District. The Board of Public Works was then hopelessly bankrupt, and the recommendations of Governor Cooke, to the Legislative Assemby, to authorize the issue of certificates of indebtedness, based on tax lien certificates, was simply for the purpose of enabling the desperate District ring financiers to tide over until Congress reassembled, when they hoped to be authorized to make another raid on the National Treasury. The various kinds of securities which they had issued were selling for less than half their face value; the teachers in the public schools had not been paid for months; the members of the fire department had not received the proportion of their wages coming from the District for nearly six months, and even the clerks employed by the District Government were dependent almost entirely upon the good will of their grocers and butchers for the actual necessities of life.

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The recommendations of the Governor were promptly met by the Ring Legislature, and the issues of new certificates of indebtedness were authorized. So far they had been based upon assessment certificates, issued against private property. These last named securities bore ten per cent. interest and have a history worth narrating here. The First National Bank of New York was to take $800,000 of them with the option of taking more at 97, and pay for them either in cash or in auditor's certificates, of which there were vast amounts afloat, without any prospect of redemption.

John O. Evans and some of his Ring associates knew this secret. By dividing the heavy margins with the New York bank, the auditors certificates which they received for work done were handed to the Treasurer of the Board instead of cash, while other contractors had to suffer. This little game was, however, well nigh played out, and it was necessary to invent a new one, which was done under the pretense of relieving the overburdened taxpayers. The special assessments against private property were payable according to the new act of the Legislature in instalments, extending over a term of five years. These were anticipated by issuing through the Board of Public Works eight per cent. certificates of indebtedness not exceeding in all the sum of $2,000,000, or a less amount if the charges against private property did not amount to that sum. To secure this loan, the assessment certificates thereafter issued, bearing ten per cent. interest, were to be deposited with the Sinking Fund Commissioners. But if this was done the $10,000,000 limitation of the public debt fixed by Congress would be exceeded. To get over this obstacle, Caleb Cushing and two other ring attorneys were procured to give a legal opinion, to the effect that these certificates were the indebtedness of the individual property-holders, converted into negotiable form by the Board of Public Works, for convenience and relief, and therefore were not a debt of of the District.

ONLY A QUARTER OF A MILLION.

While the bill was under discussion the Governor was requested to inform the Legislature how many assessment certificates were issued under the old law. On May 29th he sent in a statement of the Superintendent of Assessments that the amount was, up to May 1st, $624,213.13. The new law was approved May 26th, and subsequent auditing of the accounts of the Board of Public Works shows that the total issued under the old law was $810,794.61, so that it is apparent that between May 1st and May 26, nearly a quarter of a million of dollars of the assessment certificates had been issued, or else the statement sent to the Legislature by Gov. Cooke was a deliberate falsification of the record; and more than this, the Board of Audit has recently discovered that $1,315,095.70 of certificates of indebtedness were issued without any assessment certificates being deposited with the Sinking Fund Commissioners (See Senate Mis. Doc. No. 101, 44th Congress) as late as April, 1876.

The $2,000,000 of certificates of indebtedness were all issued before July 1st, 1873, and gave the Ring scarcely a moment's relief from the harrassments of their creditors. It was necessary, therefore, to resort to other schemes of financial kite-flying; accordingly the subservient Legislature was directed to pass another act authorizing issuance of sewer bonds. This act divided the city into sections, without any regard to the topographical features of the ground within the corporate limits. Main sewers providing ample drainage for each of these sections had been nearly completed, and the cost of the same charged against private property and the United States, but still it was proposed under this law to levy a general tax to pay for work already almost done and nearly paid for. In its details this law was iniquitous; whole squares of ground submerged often at low tide were taxed to more than double and treble their actual value, while the vast tracts of land traversed by splendid avenues and patent paved streets, which had been gobbled up by the Real Estate Pool, escaped with a nominal assessment. The total cost of these main sewers did not exceed two and a half millions of dollars, yet it was deliberately proposed, in addition to levying a general tax upon all private property to charge up against the United States as its proportion of the main sewers $2,740.681.83. In order to swell this charge against the United States to this enormous sum, the entire area of all the avenues, streets and reservations in the city were computed by one of Shepherd's lightning calculators, and a valuation placed upon it by Kilbourne and Latta, the Ring real estate agents.

THE LAST FEATHER, &C.

The passage of this act of the Legislative Assembly was the last feather that broke the camel's back. Hitherto a great many citizens of the District had been led to believe, by the representations of the local press and the constant assurance of the army of Ring contractors and employés, that the General Government would finally

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come to their assistance, and assume the enormous indebtedness which had been created. The arguments used to create this impression were plausible; it was said that Congress had, by the creation of the territorial Government, assumed to exercise the exclusive legislation over the District which the Constitution of the United States empowered it to do; that the people could not hold the rulers who had been imposed upon them responsible, therefore Congress, in justice to the people, should hold itself responsible for the acts of its agents, to whom it had delegated the authority to govern the District. If these agents had exceeded the powers conferred upon them, and had created an illegal indebtedness, it would be the grossest injustice to burden the people with taxation when they had practically no power to check in their mad career the rulers imposed upon them. It was further asserted that Congress had manifested a disposition to deal fairly with the people, and the enormous appropriations which had been obtained from time to time by the devices heretofore referred to, were pointed to as substantial indications of what the General Government meant to do in the future. But the action of the Legislative Assembly in passing the act, authorizing the issue of sewer bonds based on a tax levied on private property, as well as charges made against the United States, opened at last the eyes of the people. They began to see that the Ring, in addition to piling up an enormous debt upon property of the District, was also in violation of an expressed prohibition by Congress, involving or attempting to involve the General Government in liabilities which would doubtless be repudiated by the people's representatives.

ANGRY PROTESTS AGAINST THE SEWER TAX

Began to come from every quarter. People who had hitherto been supporters of the Ring, and others who had been lukewarm in their opposition, fiercely denounced this last enormity, and declared their determination to demand at the hands of Congress a searching inquiry into the conduct of the ring officials. The unanimity of this local opposition began to affect the financial credit of the District in localities where Shepherd had expected to hypothecate the sewer bonds. It was necessary therefore to bolster the waning credit of the ring, and bull these new securities which were quoted at home at less than 70 cents on the dollar. To accomplish this an opinion was bought from Caleb Cushing, to the effect that the act authorizing the issue of sewer bonds was in consonance with the organic act establishing the Territorial Government, and that therefore these securities were a safe investment, because they were a lien upon the entire real estate in the cities of Washington and Georgetown. Several local lawyers of some repute beyond the District of Columbia concurred with Cushing in this opinion, and it was printed in circular form and freely distributed in New York and other financial centres. It had some weight with a class of capitalists who were willing to risk their money in speculative ventures, especially when there was a margin of from 30 to 50 per cent. in their favor, with the single chance against them that Congress would repudiate the act of the Legislative Assembly, and provide no means for the redemption of the securities authorized to be issued.

A FEW MORE MILLIONS.

In addition to the act creating the sewer indebtedness, the Legislative Assembly also authorized the mobilization of the unpaid over-due water taxes and the issue of bonds based thereon. It further warranted the issue of $266,000 of bonds to indemnify the Board of Public Works, "for the loss sustained in consequence of discounts and commissions," paid in the negotiation of the $4,000,000 loan, and still further the issue of $530,000 of bonds to reimburse the district for expenses in the cleansing and repairing the streets, pumps, and for similar current municipal expenses. The Legislature adjourned on June 26th after it had, at the dictation of the Ring, authorized the issue of $5,091,678.37 of the various descriptions of securities already referred to. In addition to this the Sinking Fund Commissioners had, under an act passed at the present session of the Legislature, directing the funding of the indebtedness of the old municipality increased the general debt about $1,500,000. The necessities of the ring were now so great that these millions of bonds were hurried upon the market so rapidly that in a short time they could only raise money by hypothecating them at the rate of two dollars for every one borrowed with Morton, Bliss & Co., and other New York banks.

COOKE STEPS DOWN—SHEPHERD UP.

Governor Cooke, embarrassed by the financial difficulties which were now troubling the house of Jay Cooke & Co., and foreseeing the troublesome times which awaited the District Government in the future, resigned late in July. The President immediately appointed Alexander R. Shepherd to the vacant Governorship. In September follow

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ing, the bankruptcy of Jay Cooke & Co. occurred, and the financial panic of 1873 followed swift upon the heels of the announcement of the failure of this puffed-up firm. The First National Bank of Washington, the stock of which was owned almost exclusively by Jay Cooke & Co., had long been the medium through which all sorts of rascalities had been practised upon the National Treasury. Upon the failure of Jay Cooke & Co. this concern had to close its doors and it was absolutely necessary for the safety of the White House Ring and all the jobbers connected therewith, that the receivership of this bank should be placed in safe hands. Accordingly, Edwin L. Stanton, the Secretary of the District, resigned his office to accept the position of the Receiver of that Bank. He was the protege of the Cookes, and had performed nearly all the ministerial functions of the Governor's office while filled by H. D. Cooke, and was on terms of intimacy with all the Ring people, and therefore the secrets of the Ring bank could not have been lodged in safer hands. Governor Cooke was *ex-officio* a member of the Board of Trustees for several charitable institutions in Washington, and as such had the custody of funds belonging to them, among others the Boys' Reform School of the District. As treasurer of this institution he held $31,773.29 of its trust funds which he had deposited to his own credit with Jay, Cooke & Co., and this sacred fund along with millions of private deposit was swallowed up in the general wreck.

DICK HARRINGTON REWARDED FOR TRYING TO KIDNAP MR. DANA.

Richard Harrington was appointed Secretary of the District vice Stanton resigned. He was a young man of some ability and respectably connected in Delaware whence he had been brought by the notorious Fisher, then United States Attorney for the District of Columbia. Had Harrington possessed more stability of character and been fortunate enough to have escaped any connection with the Cooke-Shepherd-Babcock ring, he might have proved a useful member of society. But he was vain, thoughtless, fond of flattery and too willing to requite sweet words of praise with acts from which a sober, steady going youth would have shrunk in terror. He had several years previous to his appointment as Secretary of the District, been made Assistant District Attorney by Fisher. He was suffered to continue as Assistant District Attorney after he had been made Secretary of the District; and thus in violation of the spirit, if not the letter of the law, to receive at the same time two salaries from the General Government. Shortly before his promotion, Harrington at the instigation of his Ring masters undertook to have the Hon. Charles A. Dana, the fearless and able editor of the New York *Sun*, brought, on process of a Police Court to Washington city to be tried on the charge of libeling Boss Shepherd. The offence with which Mr. Dana was charged was nominally the publication of alleged libelous articles in which Shepherd was held up to the scorn of the world as a public robber; but the real offence for which the Ring sought Mr. Dana's punishment at the hands of the corrupt and subservient court, was the persistent warfare which he had waged for years against the whole brood of radical thieves. After the process of the Washington Police Court had been served upon Mr. Dana, and he was held to bail in New York city, a writ of *habeas corpus* was granted by Judge Blatchford, of the United States Court for the Southern District of New York, and at the time appointed for the hearing, Shepherd, accompanied by Fisher and Harrington, and a numerous retinue of hangers-on, proceded to New York, to carry back in triumph the fearless editor, who had done them so much injury, by arousing the public conscience of the nation to a just appreciation of their iniquities. In their train were two detectives,

WHO CARRIED WITH THEM HAND-CUFFS,

With which Mr. Dana was to be degraded, in the event of his being surrendered, as the Ring fondly believed he would be, by Judge Blatchford. When this delegation of Ring rogues left Washington they were accompanied to the depot by Secor Robeson, Sanborn Richardson and Post-trader Belknap, who bade them God-speed as they took their departure. It is well-known, the upright and distinguished Judge Blatchford promptly refused to surrender Mr. Dana on the process of the petty ring court, but it was in consideration of the services which Harrington rendered on this occasion that he was promoted to be Secretary of the District, and suffered illegally to draw two salaries from the Public Treasury.

Shepherd was now Governor of the District, and President *ex-officio* of the Board of Public Works. He had all along been practically the absolute ruler of the District, but with his promotion he assumed, if possible, more autocratic manners and exerted more arbitrariness in the conduct of the affairs of the District, The Auditor, Comptroller and Treasurer were either figure heads or his subservient tools, and did his

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will without hesitation or protest. Soon after he became Governor he effected a loan for the District from Morton, Bliss & Co., of New York, of $225,000, on collateral security of $450,000, in 8 per cent. Sewer Bonds. This money he deposited in fourteen installments, between November 10th and December 24th, 1873, to the credit of A. R. Shepherd, Governor, in the National Metropolitan Bank of Washington, of which concern he was a Director. The first check he drew against this money was for $10,000, and was paid to John O. Evans, on November 10th, 1873. On December 24th, 1873, he effected another loan of $50,000, under similar circumstances, from the German American Bank of New York city (See Mis. Doc. No. 103, 1st Session, 44th Congress). During this period of time, from November, 1873, to January 1st, 1874, Shepherd was financially embarrassed, and his private account, kept at the National Metropolitan Bank, was, by the connivance of the cashier, Moses Kelley, an old confrere of his in real estate speculations, suffered to be overdrawn from forty to fifty thousand dollars.

FOUR MILLIONS AND A HALF DEMANDED.

This was the condition of affairs when the Second Session of the Forty-third Congress began, in December, 1873. Shepherd, in the annual Report of the Board of Public Works, transmitted through the President to Congress, after indulging in self-laudatory commendation, said, "The total receipts, from July 1st, 1871, to November, 1873, have been $14,789,692.85. The expenditures, $13,386,455.67; leaving a balance of $1,403,237.18. * * * The indebtedness of the General Government on account of improvements, as per appended statements, is as follows:

For work, in and around Government Reservations.....	$573,171 25
For work on Avenues.....	1,056,574 36
For Main Sewerage.....	2,740,681 83
Total.....	$4,370,427.94

It is earnestly hoped that Congress will make immediate provision for the payment of its indebtedness to the District, in order that the necessities of faithful contractors may be promptly relieved."

The coolness with with which this demand was made for nearly four millions and a half of dollars from the National Treasury, in the face of the absolute prohibition of the Board of Public Works to incur any indebtedness on account of the General Government, startled even the radical majority in Congress. The appropriation of $1,240,000, made in January previous, to reimburse the Board of Public Works for work done about the Government property had been strenuously resisted, and was obtained with difficulty. To prevent the ring from making similar demands in the future, it was provided, as heretofore stated, in the act appropriating the money, "That the Board of Public Works be, and the same are hereby, prohibited from incurring or contracting further liabitities on behalf of the United States in the improvement of streets, avenues and reservations beyond the appropriations previously made by Congress, and from entering into any contracts touching improvements on behalf of the United States except in pursuance of appropriations made by Congress."

THE LITTLE JOKER.

It was difficult for the time being to understand how the Board of Public Works could, in the face of this stringent enactment, have the presumption to present claims amounting to nearly four million and a half dollars for work which had not been authorized by Congress. By and by, however, the trickery by which they hoped to evade this law was made apparent. The history of the deep laid scheme by which they expected to draw from the National Treasury these millions of dollars must be set out with some detail.

In March, 1873, an appropriation was smuggled in the Sundry Civil Bill for expenditures incurred by the Board of Public Works on streets between the dates of making the accounts, on which a million and a quarter had been obtained, and the final passage of the act in January. This, the Ring said, finished the streets, but left the account for avenues outstanding, and accordingly another million was demanded for this purpose. This was carried by Senator Cole, Chairman of the Senate Committee on Appropriations, who made the following statement in regard to it. He said: "The law we passed about January 7th contained a proviso which is a complete prohibition upon any liability to be incurred by the City Government in the improvements, unless appropriations are first made by Congress. It puts a complete stop on all the public works here until provision is made by Congress to meet its proportion."

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Mr. Sargent, who was in charge of the bill in the House, was no less explicit on this point. He said: "The Deficiency Bill went through for $1,240,000, and a proviso was put in that no further expenditures should be made unless upon an appropriation made by Congress. The estimate for the year to finish this work was put in in the Senate, and I have a complete tabular statement showing where every dollar is to be expended—a complete estimate, in every sense of the word. This is in compliance with the action which the House took, and was subsequently agreed to by the Senate."

During the discussion in the Senate, Mr. Casserly called attention to the fact that the proviso contained in the January Act was omitted in the one making this last appropriation. Senator Cole, in reply, said: "This (bill) does not operate as a repeal of those restrictions." Senator Casserly, however, insisted that the proviso should be inserted, whereupon Senator Sawyer, from South Carolina, rejoined: "The Committee had no objection to putting in any safeguards in this appropriation which are on the Act of January 8th." Whereupon the President of the Senate said: "With that understanding, if there be no objection, the amendment will be agreed to." But notwithstanding this solemn pledge, the proviso was left out of the engrossed bill; and on this omission Shepherd founded his claim of the $4,500,000 demanded of Congress as has been stated.

THE OPINION MILL AGAIN AT WORK.

To afford some sort of a pretext for this impudent demand, Shepherd procured another legal opinion from Caleb Cushing, from which we quote as follows:

"I observe," says Cushing, "that in the Act of January 8th, 1873, there is a proviso which *seems* to have contemplated restricting the Board of Public Works to appropriations previously made; but that provision was overruled, and, in fact, repealed, by the provisions of an Act of March 3d, 1873, which, in terms, looked to a reimbursement of the Board for such portion of the general expenditures chargeable to the United States as it might have made in its joint capacity as the executive agents both of the United States and of the inhabitants of the District, according to the tenor of the act to provide a Government for the District of Columbia. The subject of the present application to Congress in behalf of the District is, therefore, in accord with the final action of the last Congress in the matter, and as further justification of being in the nature of appropriations to supply deficiencies, and as such in conformity with the habitual practice of the Departments, accepted and sanctioned by every Congress. * * * In continuing, by the Act of March 3d, 1873, to follow the method of *reimbursement*, instead of anticipatory appropriations, and in not making at the same time any appropriation for future work, although well knowing that such work must and would be done, Congress would seem to have been conscious of the impracticability of acting in this matter by previous appropriation. * * * In fact, the Board, in its public relations to private proprietors, is embarrassed by its double capacity of public agent for these proprietors and of public agent for the Government. * * * The Board has lawful power to assess on the *private* property on one side of the street, but it has no such power to assess and collect on the *public* property on the other side of the street. Shall it improve and assess on one side of the street and leave the other side unimproved, and, indeed, impassable, because of the partial improvement? * * * All these considerations tend to the conclusion that the last Congress saw that the restrictive provision was impracticable, and, therefore, reverted, in the Act of March 3d, 1873, to the method of reimbursement as has been the practice of previous Congresses, and impliedly instructed the Board of Public Works to proceed as before in the execution of its general duties under the organic act of the Legislature of the District."

AN INVESTIGATION DREADED.

The opposition on the part of the people of the District had now assumed formidable proportions, and a regular organization had been effected, including the largest property holders in the city, who began immediately, on the assembling of Congress, to demand a thorough and searching investigation by that body of the affairs of the District. The Ring saw the storm was gathering, and attempted to ward off the blow. The Hon. Jeremiah M. Wilson, of Indiana, had, after consultation with the leading citizens aforesaid, prepared a resolution raising a joint select committee of the two Houses of Congress to prosecute the inquiry demanded, and he had asked Mr. Speaker Blaine to recognize him on January 26th, 1874, for the purpose of offering this resolution in the House. Mr. Blaine promised him the floor, but failed to recognize him, and gave Mr. Poland, of Vermont, an opportunity to introduce a resolution, whereby the

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Judiciary Committee of the House was "directed to inquire into the legal relations between the General Government and the Government of the District of Columbia; to see whether anything could be ascertained by which a basis could be found for dividing the public expenditure between the General Government and the District of Columbia." Mr. Poland had, previous to this, proved a useful and subservient tool of the Ring, and at still later date he procured the passage of an act enlarging the jurisdiction of the Courts of the District of Columbia, so as to make their criminal process run throughout the United States. By this piece of legislation, which was put through Congress by the joint efforts of Poland in the House and Matt. Carpenter in the Senate, it was expected that Shepherd, backed by all the power and influence of the Federal Administration, would be able to wreak vengeance upon Mr. Dana, the editor of the New York *Sun*; and, in less than a month after the passage of the act, an attempt was made to bring him to Washington, to be tried before the Ring courts; but the upright and distinguished Judge Blatchford again interposed the protecting ægis of the Constitution, and the second time prevented a consummation of this effort to persecute the fearless editor.

IT IS ORDERED.

Finally, on February 2d, Mr. Wilson succeeded in obtaining the permission of the Speaker to introduce his resolution, and it was passed, after a violent opposition on the part of a few of the boldest of the Ring's friends in that body. Previous to this Senator Hamlin of Maine had, on January 30th, presented a petition of Shepherd to the Senate, in which he protested against being investigated, and made a scurrilous attack upon citizens of the District who had, in the exercise of their constitutional right, petitioned Congress for the redress of their grievances. Senator Thurman very properly denounced this petition as "A most extraordinary paper, styling such honored citizens of national repute as W. W. Corcoran as 'pretended tax payers,' the author of which, while professing all the while to desire investigation, and boasting that his skirts are perfectly clean, at the same time submitted a long argument against any investigation at all." (See Congressional Record, 1st Session, 43d Congress, page 10–34). The joint resolution which Wilson had offered in the House was, however, passed by the Senate on February 5th, after it had been discussed at length.

Mr. Boutwell was first appointed chairman on the part of the Senate, but he declined in order to make way for Emma Mine Stewart, who was set up by the ring for this position, and was expected to run the investigation entirely in their interest. The democratic members of the committee, however, by the assistance of Mr. Wilson and Mr. Bass, two republican members, on the part of the House, elected Senator Allison Chairman of the Committee, against the schemes of Stewart, the appointee of Matt. Carpenter, the temporary president of the Senate.

ROBBING THE SCHOOL FUND.

The first subject to which the Committee directed its attention was the alleged misapplication of the school funds on the part of the District Government. After a week of patient investigation it was conclusively demonstrated that the Board of Public Works had applied the money collected for school purposes, to the amount of $215,548.21 to other purposes, in violation of law, and had suffered the school teachers to go without a cent of pay for a period of about eight months. Judge Merrick, who represented the citizens of the District before the joint investigating committee, in commenting upon the misapplication of the school moneys, said:

"That fund in itself the most sacred of all in the Republic, which depends for its perpetuity no less than for its transient prosperity on the virtue and intelligence of its citizens, the revenue dedicated to the education of their children and the maintenance of school teachers was perverted from its legitimate object mingled with and spent along with other treasures of the people upon greedy contractors and time-serving favorites; and the meek lonely females who had devoted their hearts and their lives to instructing the children of the people, left to beg or to starve without a dollar of compensation for eight long months, until munificent citizens, and afterwards Congress, provided for their necessities. Money adequate to the payment of their salaries had been collected from the proper sources of taxation. Not only the meritorious nature of the appropriation, but the final sanction of the law required these sums to be dedicated with scrupulous exactness to the proper object, yet both were disregarded and the teachers left unpaid."

THE AVENUE CHARGE AND SEWER BONDS.

The claim of four and a half million dollars which the Board of Public Works had presented against the Congress of the United States was carefully inquired into

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in all its details by the Committee. In regard to the claim for the work done on avenues, $1,056,574.36, it was found that this was made up by including all the work done on the avenues since the year 1802. This claim, it will be remembered, was settled by the appropriation included in the Sundry Civil Bill of March, 1873. In regard to this claim and the manner in which it was swelled to these vast proportions the Committee says:

"It was undoubtedly widely wrong, and whether there is anything that appears in it that can be with any propriety charged to the United States, is exceedingly doubtful, excepting it may be the amount of $248,240.72, and the accuracy of that can only be ascertained by a remeasurement." In commenting upon the effort of the Ring to charge against the United States $2,740,681.83 as the Government proportion of the cost of the main sewerage, the committee says: "The main sewerage of the city when complete will cost $2,435,855.23, so that this charge against the Government for main sewerage is $304,826.60, more than the whole cost." Of the manner in which this charge was figured up the committee says: "The Legislative Assembly passed the Sewer Act, by which the cities were divided into so called sewer districts, and a fixed rate of assessment was established per square foot for sewerage purposes. Then the Board entered into a calculation and ascertained that the Government is the owner of a certain number of square feet of ground in the form of reservations; that there are so many square feet in the avenues and streets; and aggregating these they make a calculation that if these reservations, streets, and avenues are taxed at the same rate per foot, that private property is assessed under this sewer law it will amount to $2,740,681.83, and say, therefore, that the United States owed the District that amount for main sewerage."

No better illustration of the recklessness, misrule and utter disregard of law by the Board of Public Works can be given than this simple fact that they attempted to levy on private property and collect from the United States more than five and a quarter millions of dollars for work that cost less than two and a half millions of dollars.

BABCOCK'S MEASUREMENTS.

In speaking of the manner in which accounts were manufactured against the United States, the committee instance the acts of January 8th and March 3d, 1873, by which $3,448,933.01 were obtained from the National Treasury. They say: "These acts were founded on accounts presented by the District authorities for work said to have been done and for which it was alleged that the Government of the United States was equitably liable. The testimony taken by your committee and a scrutiny of the reports of the Board of Public Works, convince your committee that those accounts were unreliable and inaccurate, and that the provisions of law requiring their ratification were not complied with according to their letter and spirit."

These accounts so characterized by the committee were made up under the supervision of Gen. Babcock, and were required by the acts above referred to, to be pronounced correct by him not only as to whether the work was actually done or not, but also whether the prices charged by the Board were just and proper. The committee failed to pass any other censure upon Babcock than the one implied in the above quoted paragraph. The democratic members of the committee with Mr. Wilson, were anxious to obtain a unanimous report, one recommending the abolition of the territorial government and the turning out of Shepherd and his associates, and to accomplish this they had to forbear pronouncing any harsh condemnation upon Babcock, because the republican members of the committee would not consent that this should be done.

Shepherd and his Ring associates were compelled to admit during the progress of the investigation that the debt they had created largely exceeded the limitation of ten millions of dollars fixed by the Act of Congress of May 8th, 1872. But they sought to evade the responsibility for this willful disregard of law by setting up the legal fiction that the Board of Public Works was a corporation independent of the District, and that it could create an unlimited debt under the organic act. In commenting upon this the committee said: "The act creating the Board limited the total debt of the District of Columbia to five per cent. upon the assessed value of all property within the District, the intent of which was to limit the actual debt of the District to that sum. The Board, however, construed the various provisions of the organic act as placing them and their transactions without the pale of this limitation, endeavoring at the same time to keep the letter of the law while violating its spirit; and to this end the Legislative Assembly from time to time passed acts which were simply devices for the purpose of raising money for which to pay previously incurred obligations, and continue the improvements by creating temporary obligations upon the property of individuals in the District."

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DEBT UPON DEBT.

After instancing the various devices by which the Ring endeavored to tide over the constantly threatening financial difficulties, the Committee says: "And by this system of credit upon credit, or rather debt upon debt, the Board continued its vast operations, the result of which has been to create a debt for which the Board of Public Works and the District in one form or another are liable, and when added to the other floating indebtedness of the District, together with the funded indebtedness, aggregates no less than $18,000,000, instead of $10,000,000 as limited by the Act of Congress, May 8, 1872."

The manner in which the Board of Public Works gave out contracts was thus emphatically condemned by the Committee: "We are of opinion that the Board adopted an erroneous and in its results a vicious method of letting contracts for this work, namely, without competition open to the public; and that the method adopted by the Board resulted in the payment of an increased price over and above what would have been paid if open, fair and free competition had been invited."

BIDDING FOR CORRUPTION.

In speaking of the action of the Board in fixing the scale of prices and letting contracts at their discretion upon this basis, the Committee say: "This opened the way for favoritism in the letting of contracts, and for a system of brokerage in contracts which was demoralizing in its results, bringing into the list of contractors a class of people unaccustomed to perform the work required, and enabling legitimate contractors to pay large prices in order to secure contracts, and in the opinion of your Committee was the beginning of nearly all the irregularities disclosed in the testimony of the letting of contracts. Any system which would enable an adventurer to come from a distant city and in the name of a contracting firm make proffers of fifty cents a yard to any person having or supposed to have influence with the Board, whereby a paving contract could be secured, and after persistent effort succeed in securing a contract, and actually binding his principal, the contractors to pay $97,000 for the contract of 200,000 yards of pavement, after an effort of five months to secure it, the gross amount to be received being only about $700,000, in its nature must be vicious, and ought to be condemned."

SHEPHERD THE BOARD.

The Committee recognized the fact that Shepherd, as Vice-President of the Board of Public Works, had arrogated to himself all the power conferred upon that body by the organic act, and say: "During a considerable portion of the time, notwithstanding the most extensive operations were being carried on and expenditures were being made by the millions, there were no stated times for Board meetings, and but comparatively few Board meetings were in fact held, but entries were made in the record purporting to contain the proceedings of the Board, which were in fact made up by the Secretary from letters and papers that came into the office, and from directions made by the Vice-President. Some of these were entries made of business transacted by the Vice-President at his private office, and afterwards placed on the record as having been business transacted by the Board."

In concluding their report, the Committee say: "Your Committee have unanimously arrived at the conclusion that the existing form of Government of the District is a failure; that it is too cumbrous and too expensive, that the powers and relations of its several departments are so ill-defined that limitations intended by Congress to apply to the whole Government, are construed to limit but one of its departments: that it is wanting in sufficient safe-guards against maladministration and the creation of indebtedness; that the system of taxation it allows opens a door to great illegality and injustice, and is wholly insufficient to secure a prompt collection of taxes; and that no remedy short of its abolition and the substitution of a simpler, more restricted, and economical Government will suffice."

THE NEW GOVERNMENT.

The Committee recommended a temporary Government consisting of three Commissioners to be appointed by the President and confirmed by the Senate, who were to wind up the affairs of the territorial Government and complete such of the unfinished work already commenced, which was absolutely required in order to make some of the principal streets and avenues torn up by the Board of Public Works passable. To settle the accounts for work already done and not yet paid for, and generally to wind accounts of the late Government, as well as to investigate the cash accounts of

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Treasurer Magruder, and ascertain the actual indebtedness of the District, the Committee recommend that a Board of Audit consisting of the First and Second Comptroller of the Treasury Department should be constituted. These recommendations were embodied in an act which was reported to the two Houses of Congress by the Committee, and passed.

To relieve an immediate pressing necessity, and to prevent actual bankruptcy, Congress appropriated $1,300,000, and provided that the Commissioners should be authorized to issue bonds bearing $3\frac{65}{100}$ per cent. interest to liquidate the indebtedness as it was ascertained by the Board of Audit. In order to obtain an approximate idea of the extent of this indebtedness the Committee made every possible effort, and required Shepherd to furnish a detailed estimate of what the cost of completing contracts already let would be. Shepherd furnished his estimate, which figured up $1,325,911. The Board of Audit, however, found when they came to settle the accounts that the Board had created an indebtedness, the facts concerning which had been deliberately suppressed, which amounted to nearly $3,000,000.

THE LEGACY OF THE RING.

The estimate of $18,000,000, the amount of indebtedness which the Committee assumed from the data before them had been created by the Board of Public Works, was far below the real figures. From data furnished by the Board of Audit in its various communications to Congress, the amount of indebtedness for which securities of one kind or another had been issued by the Board of Public Works, together with what was derived from the Federal Government, and general and special taxation, was about $20,000,000. In addition to this the Board had left a floating debt, which was found to be as follows:

Due to officers, employés and laborers	$716,277 71
For temporary loans	1,136,903 34
For unpaid certificates and claims for work under Board of Public Works and District properly as finally settled	5,770,816 05
To citizens for curb stones, brick pavements, &c., confiscated	151,540 88
For damage to real estate in consequence of comprehensive plan of improvements	827,625 69
Over due judgments against the District	10,135 57
Fire Department	43,324 34
Board of Health	13,312 71
For over issue of Special Assessment bonds on July 1st, 1873, being altogether unsecured July 1st, 1874	2,000,000 00
For interest due July 1st, 1874, on bonds	237,132 72
For unmeasured work per report of Hoxie, December, 1874	590,892 13
Total	$11,497,961 13

This vast sum has been liquidated in part by heavy tax levies on the private property, and part by appropriations made by Congress; but mainly by the issue of 3-65 bonds. Of the over issue of Special Improvement Bonds there was still unprovided for on April 10th, 1876, $1,315,095.20.

THE DARKEST CRIME OF THE AGE.

During the progress of the investigation by the Joint Committee of the two Houses, one of the darkest crimes of the age was deliberately perpetrated by criminals employed by the Ring through the Secret Service Division of the Treasury Department. The object of this crime was to bring disgrace upon the citizens who were prosecuting before the Committee, Shepherd and his ring associates. It occurred on the night of the very day upon which the counsel for the citizens announced to the Committee that they had closed their case; briefly stated the prominent facts connected with this damnable villainy, are as follows: A number of the principal citizens were in the habit of meeting nightly at the house of Mr. Columbus Alexander to hold consultations among themselves and with their attorneys. An operative in the Secret Service force was detailed by the chief at the special request of Gen. Babcock and Richard Harrington, to concoct a plot by which he could entrap Mr. Alexander and the gentlemen who were in the habit of meeting with him at his house, into receiving books and papers which were, without the knowledge of these gentlemen, to be stolen from the office of the District Attorney. The detective managed, after

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trying several weeks, to make the acquaintance of Mr. Alexander, and represented himself as a former book-keeper of John O. Evans. In the interview which he had with Mr. Alexander he stated that the books of Mr. Evans which had been produced before the Committee were forgeries, and that the real books were in his possession, and would show that enormous frauds had been perpetrated by Evans with the consent and connivance of Shepherd. These books he offered to produce and turn over to the citizens. At first he demanded money; but this was sternly refused, whereupon he said he was an honest man, and desired to expose the frauds, and would turn over the true books of Evans without any compensation. This proffer was accepted, and Mr. Alexander immediately notified two members of the Investigating Committee of the proposition that had been made to him.

PUTTING UP THE JOB.

On Wednesday, the 21st of April, Harrington, accompanied by John O. Evans, carried the account books from his office on Pennsylvania avenue, to the District Attorney's office, and locked them up in his safe. On Thursday night, April 22d, a professional burglar named George E. Miles, with an assistant, entered the District Attorney's office, blew open the safe, took out the books of Evans, which were carried to Mr. Alexander's house by the assistant burglar. Harrington on Thursday had notified the police authorities that he had reason to fear that a burglary was going to be committed in the District Attorney's office, and had the entire detective force of the city stationed about the building in which the office was located. The superintendent of police was there in person, and also the chief of the detectives. The burglars entered the building about ten o'clock in the evening, and carried with them the tools to be used in breaking open the safe. They were seen to enter, and the superintendent of police wanted to arrest them at that time, but Harrington objected. They passed out and returned later, and after hammering away at the safe for several minutes, finally blew it open, the report being so loud that it attracted the attention of the people living in the neighborhood. The two burglars walked boldly out of the front entrance of the building, and one of them was suffered to slip quietly away while the detectives, accompanied by Harrington, a brother of Shepherd, and a fellow named A. B. Williams, an intimate associate of Harrington, followed the other who carried the books to Mr. Alexander's house. On the way thither, the burglar lost his way and Williams pointed out the road, and directed him to the house. Mr. Alexander and his entire family were in bed sound asleep, and providentially, all the noise of pounding at the door, and the ringing of the bell by the burglar did not awaken a single one of the inmates. After he had been suffered to continue his efforts to awaken the inmates for fifteen or twenty minutes, the superintendent of police finally arrested him and took him to police head quarters, where he was locked up. A few days later this villain was, through a fellow named Sommerville, with whom Harrington had made the arrangement, procured to make an affidavit in which he asserted that he had been employed by Mr. Alexander to blow open the safe in the District Attorney's office, and bring the books of Evans to his house. This affair was subsequently investigated by the Joint Committee, and after Harrington, Williams, and the officers of the Secret Service division had committed perjury over and over again, the detective who had been instructed to put up the job came forward and made a clean breast of the whole transaction.

THE PRESIDENT INVITES THE CRIMINAL FROM THE DOCK.

The Hon. Benjamin H. Bristow having been made Secretary of the Treasury, the whole matter was referred to him by the committee for further investigation, and he turned it over to Hon. Bluford Wilson, who was afterwards appointed Solicitor of the Treasury. Mr. Wilson succeeded, after a patient investigation, in discovering the most complete and irrefutable proofs of the connection of Col. Whitney, Chief of the Secret Service Division, his first assistant I. C. Nettleship, Richard Harrington and A. B. Williams, with his damnable conspiracy to ruin an innocent man. The Hon. A. G. Riddle was appointed a special assistant Attorney-General, to prosecute these parties in the criminal court of the district. They were indicted, and after some delay brought to trial, when the most desperate efforts were made by the Ring, assisted by the United States Marshal, Alexander Sharp, a brother-in-law of the President, to secure their acquittal. The President himself lent his influence to secure the same result. During the progress of the trial he invited Harrington to a reception given at the White House, thus giving notice to both court and jury that he considered the criminal in the dock had not been guilty of any offence which deserved public condemnation. Although the jury had been, as far as possible, packed by the Marshal, it failed to acquit the conspir-

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ators. At the beginning of the first session of the Forty-fourth Congress, Col. Whitney, Nettleship, Somerville and all the other parties, including the burglar, came forward and confessed their connection with this crime, and furnished still further evidence implicating Harrington, and also connecting Gen. Babcock directly with this infernal conspiracy. Babcock, Harrington and all the others are now under indictment, and Harrington has fled to foreign parts to evade the process of the court.

A CRIME PROPERLY CHARACTERIZED.

On February 3d, 1876, Senator Bayard, of Delaware, in commenting on the misdeeds of the Ring, spoke as follows, about the said burglary: "The fact of this maladministration of this gross and profligate expenditure had been brought before Congress time and again. The cries of the taxpaying citizens fell upon dull ears; but at last the facts, thanks to the investigating spirit of the public press exterior to the District, compelled a hearing of the complaints. Besides for themselves the taxpayers of this District were acting in behalf of every man in this country who earns his daily bread by his labor, and of the taxpayers of the United States. * * * Intelligent and able counsel presented such a case that our committee were unable to resist it, and as a result this Board of Public Works was to be swept out of official existence into the ignominy which it deserved. There was strenuous resistance to the investigation; the counsel of Shepherd and his associates brow-beat the witnesses, resorted to fierce, rigid, recriminating cross-examination. Prosecutions were threatened, indictments were found, and not only that but a resort to crime not fit to be mentioned in our day and time was had. Never in the century in which we live was such a crime proposed for the purpose of stifling investigation as was set on foot in this District, but providentially defeated. I mean the assault on the character of a citizen of high standing, by pretending that a gross crime and felony had been committed which never had been committed; to cause the appearance of crime by this man to be charged upon him as a dreadful reality. The facts of that are before us; some of the persons inculpated have undergone the forms of trial in this District before what they are pleased to term a jury of impartial men, who did not agree upon a verdict; but the facts attending the trial have disclosed the hideous nature of the proposed assault upon Mr. Alexander. A crime reminding one of those eras in history called the dark ages. I do not think there is a man who loves justice, who cares for good name or character, throughout this broad land, whose blood must not have curdled in his veins when he read how nearly a perfectly innocent, honorable gentleman came to be called upon to defend himself against an odious and dreadful charge, a fictitious felony invented to blast the good name of a private citizen, whose sole offence had been that he had petitioned the Government of his country for relief from fraudulent and excessive taxation. The blow was thwarted; it recoiled upon those who originated it, and that 'curse, like chickens, came home to roost.' I trust yet that the full truth in regard to this nefarious conspiracy may become known, and the guilty authors and all those who combined to shelter them, may be brought to the punishment and public reprehension they so richly deserve."

GRANT STANDS BY SHEPHERD.

The President, notwithstanding the damning record of Shepherd's willful violation of law; the innumerable frauds and corruptions he had been a party to; notwithstanding his connection with the infamous safe burglary conspiracy which was apparent to all the world, appointed him to be one of the three commissioners to take charge of and administer upon the effects of the defunct Board of Public Works. This nomination was after a desperate struggle in the Senate finally rejected, but still the President's love for the condemned and degraded Boss was so great that he allowed him to name as his representative in this commission Mr. Ketchum, an ex-Member of Congress from the Poughkeepsie District in New York, who had been notorious as a jobber while a member of the House of Representatives. The Cookes as their representative secured the appointment of ex-Governor Dennison of Ohio, while the President himself appointed Hon. Henry T. Blow, of St. Louis, Missouri. Mr. Blow was an honest and upright man, and after a short experience as Commissioner resigned in disgust. While the President was thus manifesting his deep regard for all the members of the Ring, and sticking closer than a brother to Boss Shepherd, he did not hesitate to strike down and attempt to brand with infamy an honest man who had the courage to stand up and tell the truth about the Board of Public Works; this man was Adolph Cluss, engineer of the Board, who had been cognizant of although not participating in any of the frauds practiced by the Ring. While he was before the Committee as a witness, the President summarily ordered his removal and alleged as the reason for this act his belief that

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Mr. Cluss had testified falsely, a charge totally unfounded and unwarranted by all the facts brought out by the investigation. To the lasting disgrace of the Committee it failed to characterize this outrageous act on the part of the President in fitting terms, and to the eternal infamy of the Republican majority in Congress, let it be noted that it also spoke no words of condemnation. Such was the appreciation which the President and his administration manifested for reform in the affairs of the District of Columbia. The Republican party manifested appreciation of the great services that Hon. Jeremiah Wilson had rendered in bringing about the overthrow of the corrupt and strongly entrenched Ring by refusing him a renomination for Congress.

STRANGERS AS PRO-CONSULS.

The Commissioners into whose hands the difficult and responsible duty of administering the affairs of the District of Columbia, in bringing order out of the financial chaos in which the Board of Public Works had left it, was confided, were strangers to the people over whom they were called to rule. They had no knowledge of the details of the work they were expected to perform, and from the day they assumed the duties of their office down to the present time they have been in constant and close communion with the chiefs of the old Ring. Their first act was to appoint as Secretary to the Commission the same person who had served in a similar capacity under Cooke and Shepherd. Their next was to commission E. L. Stanton, the first Secretary of the Territory under Cooke, who was identified in every way with the Ring, their legal adviser. Upon the removal of Mr. Cluss, above referred to, the President appointed as his successor, Lieutenant Hoxie, an army officer who had but a short time previous graduated from West Point. His nomination was due to Gen. Babcock and to Shepherd. Hoxie himself, in testifying before the District Committee of the House on the 6th of March last, admitted that Shepherd had told him a short time after his appointment, "that he had been in favor of it." The Commissioners made Lieutenant Hoxie their executive officer, and placed him in charge of all improvements. The Commissioners, in conformity with the law under which they were appointed, issued orders dismissing all the employes, but Lieutenant Hoxie at once reappointed under him thirty of the officials thus discharged, selecting those who had proved themselves the most subservient tools of the Ring. Among the rest thus continued in responsible positions were two assistant engineers who had under the direction of Babcock aided in all the fraudulent measurements by which the United States was robbed of millions of dollars.

REFORM WITH A VENGEANCE.

Among the first acts of the Commissioners was an order authorizing the publication of a tax arrearage list. They did this upon a note sent to them from the White House by Gen. Babcock, who requested that list should be published in the *National Republican*, the organ of the White House. No contract was made with the publisher of this paper, and he subsequently brought in a bill for $96,112. He was paid on this $50,000 in cash, and the balance $46,112 is yet in dispute. In addition to this the *Daily Chronicle*, another Ring organ, was paid $11,084.75, and the *Evening Star* $8,003.75, all within a year, for advertising.

On July 10th, 1874, the Commissioners "ordered that all contracts hereafter given out shall be given to the lowest responsible bidder after due notice by advertisement." On August 10th, 1874, they assured a committee of taxpayers that "there will be no departure from this order which has all the force of law with us." They also denounced the Board of Public Works for purchasing materials such as sewer pipe, curbstone, flagstone, &c., privately from parties at rates fixed by Shepherd. Such were the professions they made, but their practice was the very opposite and whenever they were confronted with their declarations they pretended ignorance of the facts and threw the responsibility on their subordinates. In April, 1876, the District Committee of the House compelled the Commissioners to admit that the contracts which they had awarded after advertisement amounted in all to only $13,614.16; and further, that contracts which had been thus given out in 1874, were annulled in 1875, and others at Board rates, payable in 3-65 bonds, substituted. For instance, for twelve-inch sewer pipe contracted for at 32 cents cash per lineal foot, 56 cents in bonds were substituted; that is, for one dollar cash, $1.70 in bonds was paid. Further, that for material bought at Board prices, $412,676.16, had been paid, notwithstanding their declaration that they would not favor this sort of jobbery. On August 10, 1874, the Commissioners stated that 117 of the old contracts had been ascertained by the Engineer as still open, of which 67 had been allowed to proceed and the others were "yet under the ban of suspension." On December 1st, 1874, the Engineer

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reports that on June 30, 1874, twenty contracts were in operation, although on July 9th, 42 were being carried out. He adds: "At this time contractors and others claiming contracts were at work with a view to establish their claims; the 3-65 bonds provided for meeting existing legal obligations of the District had apparently induced the many who had long since abandoned their work to resume without authority or direction. They were now working at random without plans or supervision." He also reported that 99 contracts had been resumed and final measurements made upon 20 contracts completed under the old Board of Public Works. In March, 1876, Mr. Buckner, Chairman of the District Committee of the House, forced the information from the Commissioners that up to that date they had re-opened 154 contracts and made additional measurements of 65 contracts finished under the late Board of Public Works.

Under such a condition of things it is not surprising that "for claims existing or hereafter created, for which no evidence of indebtedness has been issued, arising out of contracts, written or oral, made by the Board of Public Works, "which were assumed by the investigating committee of 1874, to amount to about $1,325,000," the Board of Audit have paid about $7,438,971, two-thirds of which is based on work under orders of the Commissioners which is still incomplete.

SHEPHERD STILL BOSS.

The power Shepherd exerted with the Commissioners is evidenced by the fact that any contractor who presented himself before them with a note from Shepherd in which it was stated that he had promised the bearer the contract for such and such work on such and such streets, invariably was allowed to go on and complete it at old Board rates. One of these contractors, John F. Murray, testified before the District Committee of the House in April last that for services of this kind rendered by Shepherd he had purchased a house from him at a very high price. Shepherd has evidently profited largely by this sort of service to contractors, because the record of his sales of real estate show that since the Commissioners came into power he has sold property to contractors to the amount of $300,000, while his transfers of property to other persons amount to very little. One or two instances in money will show the workings of this system of continuing oral contracts. A country road above Georgetown was let in 1872 to be repaired at a cost of $2,500. This contract was extended by the Commission, and was so modified that the work cost $262,123.77, or about $80,000 per mile. Thus, on the pretext of an understanding with Shepherd, not reduced to writing; with no terms stated or price fixed, or statement made; with no bonds required of the contractor for the faithful performance of the work; without a single entry on the records of the defunct Board of Public Works, this pretended contract was recognized as a "legal obligation," existing on June 20, 1874, and the District compelled to pay more than a quarter of a million of dollars when, in reality, there was no obligation to pay a single penny. Another case: Commissioner Ketchum had a contract relating to work on a street two miles distant, extended so as to provide for tearing up a stone paved alley in the rear of his own lot, and a concrete pavement laid at an expense of $6,676.61 to the District.

BUT THE GREATEST OF ALL SWINDLES

Was the repair of the rotten wood pavements. The contractors who put down these pavements were nominally required to give bonds to keep them in repair for three years; but Shepherd, acting as the Board of Public Works, allowed them to become sureties for one another, and thus, in most instances, bonds were a mere formality. The Commissioners went through the form of notifying these contractors that if they did not put the streets in repair by a certain time, they would have the same done and charged up against their sureties. The contractors all failed to make the repairs; whereupon, the Commissioners had the wood pavements torn up and concrete pavement put down in their stead. The total cost of these so-called repairs to the District has been $809,860. Frequently the same contractors who had put down the wood pavements were given contracts at exorbitant prices to repair them by laying the concrete pavement. How this was done will be understood from the following case. The sum of $234,169.11 was spent 'to repair" the rotten wood pavements laid by John O. Evans under his own and the firm-name of Linville & Co., and this heavy amount was "charged to the original contractor and his bondsmen." This original contractor, on the other hand, was allowed to make a bogus assignment of his contracts, and then he received, as executor of the living W. C. Murdock, his assignee, $143,268.76 for part repair of part of his own fraudulent work, and together with concrete work on "extensions" of these assigned contracts, the sum total of $246,542.18 passed to Evans.

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GRANT STANDS BY SHEPHERD'S FRIENDS.

With the proofs of the incompetence, recklessness and still worse faults of the Commissioners patent to the whole world, the President has at all times manfully stood by them and persistently endeavored to conceal the true facts about the District indebtedness. In his annual message to Congress, December 7, 1874, the President, in speaking of the debt of the District, said: "It will be seen from the report of the Commissioners of the District of Columbia, for warded herewith, that the net debt of the District, less securities on hand and available, is, bonded debt issued prior to July 1st, 1874, $8,883,940.43; 3-65 bonds, Act of Congress, June 20th, 1874, $2,088,168.73; Certificates of the Board of Audit, $4,770,-558.45; total, $15,742,667.61, less special improvement assessments chargeable to private property in excess of any demand against such assessments, $1,614,054.37; less Chesapeake & Ohio Canal bonds, $75,000; Washington & Alexandria Railroad bonds, $59,000; in the hands of the Commissioners of the Sinking Fund, $1,748,054.37; leaving actual debt, less said assets, $13,994,613.24."

"In addition to this there are claims againstt he government of the District amounting in the estimated aggregate report by the Board of Audit to $3,147,787.48, of which the greater part will probably be rejected. This sum can with no more propriety be included in a debt account of the District Government than can the thousands of claims against the general government be included as a portion of the national debt."

This statement was either made in ignorance or else it was a deliberate suppression of the truth. The information contained in official documents, at that time, showed that instead of Commissioners of the Sinking Fund having special improvement assessments and the amount of $1,614,054.27, in excess of any demand against them, there were then special improvement certificates issued to the amount of $1,522,400, which were not covered by any special assessment.

A CRUSHING CRITICISM.

The Hon. Samuel J. Randall, in commenting upon this part of the President's Message, December 9, 1874, said:

"I want to show that the allegations, as to the debt of this District, made by the President of the United States in his Message sent to Congress on Monday, are gross errors, and I will show this from the very papers which the President himself ought to have had in his posession when he was making his Message. The accounts agree as to the items of the bonded debt making a total of $8,883,940.43, and they further agree as to the amount of 3.65 bonds issued under the law passed at the last Session, $2,088,168.73. They further agreed as to the certificates of the Board of Audit, amounting to $4,770,558.45. These sums aggregate $15,742,667.61. The President goes on to make a credit against the funded debt which, had he known the truth and the facts, he could not have made. He claims as a credit "less special improvement assessments chargeable to private property in excess of any demand against such assessment" of $1,614,054.37. Now, I maintain that not one dollar of that amount has yet been collected, and that when it shall be collected it is pledged to the liquidation of a further indebtedness of the District, entirely omitted by the President of the United States in his statement, but not omitted by the Board of Audit, to wit: The 8 per cent. certificates, of which those issued amount to $1,522,400. That money, if it is ever collected, is pledged in honor and by law to go to the payment of the debt of 8 per cent. certificates; furthermore, the President of the United States claims that the sum of $3,147,787.48 is not of the character of a funded debt. The Board of Audit distinctly denies that allegation, and say that this is, in fact, a part of the funded debt of the District; and no man, familiar with the accounts, can fail to see that it is, in fact, a part of the funded debt. Adding that we have a debt of $20,412,853.09. The Board of Audit claim a credit against this of about $460,000, not rightfully, as I consider, but when we refer to the report of the Engineer of this District, what do we find? We find that under Class 4, which the Board of Audit states as a part of the indebtedness, there is an item of $1,500,000, and Lieutenant Hoxie, the Engineer of the District, estimates what will hereafter be required and what, in truth, is a part of the actual debt of this District, that is, the sum of $1,700,000. Therefore, assuming the correctness and the very figures of this report, the present debt of this District, and I stand ready to prove it to any man who is familiar with accounts, is $22,112,855."

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THE REPUBLICAN MAJORITY CHOKE RANDALL OFF.

This was in December, 1874. In his last annual Message sent to Congress in December, 1875, the President does not mention the District of Columbia, save an incidental reference to the Board of Commissioners, which is included among the documents accompanying the message. He has, however, continued his firm support of the men who, while acting as Commissioners, are simply registering the decrees of Shepherd. The Republican leaders in the House came promptly to the President's assistance when Mr. Randall made the above quoted crushing criticism upon that part of his message which related to the District affairs. Mr. Hale, of Maine, went into a long argument to justify the statements made by the President to prove that Mr. Randall was incorrect; but when Mr. Randall endeavored to obtain the floor to reply, he was summarily choked off by the radical majority. Thus, as it has ever been, the Republican majority in Congress have consistently defended the Ring rogues who have plundered the District of Columbia. Without the support which Shepherd and his friends received at the hands of the Republican Congress and the President of the United States, it would have been impossible for one-half of the crimes of which they are guilty to have been perpetrated.

ANOTHER FRAUD.

The Board of Audit has proved as great a failure as the Commissioners. Instead of detecting and exposing the frauds of the old Ring and protecting the District against over charges, the Auditors have been almost as negligent as were the accounting officers of the Board of Public Works. It was fondly hoped that when the comptrollers of the Treasury Department were selected for this responsible position they would prove a terror to the Ring contractors and jobbers. They were to report to Congress the result of their labors at the commencement of the second session of the forty-third Congress; they were to be paid $2,000 apiece to supervise the auditing and were authorized to employ such assistance as they required and to fix the rate of compensation therefor. Instead of prompt efforts on their part to unravel and settle up the tangled accounts of the late Board of Public Works the auditors allowed the work to drag along, and when Congress reassembled in December, 1874, they submitted a partial report and claimed that they were *functus officio*. They, however, claimed and received for less than six months' service $2,000 apiece. Their object in claiming that their terms of office expired in December, 1874, was apparent after a time. A joint resolution was lobbied through both Houses continuing them as a Board of Audit "until otherwise provided by law with all the powers and duties specified in said Act (the Act under which they were originally created a Board) and with compensation to the members of the Board at a rate proportioned according to the time to that granted in said Act." In construing this law on the question of their own salaries they were quite ingenious. They figured up their per diem by dividing $2,000 by the number of working days between July and December and brought out $12.75 per day as the rate of their compensation. From the time of their appointment until they were legislated out of office in March last they had consumed, including their own salaries and the pay of from sixteen to twenty assistants and accountants and two messengers, about $84,000 ($74,470.09 are the official figures up to January 1st, 1876; the rest is estimated). They were in office a little over twenty-one months, and yet in this time did not complete the auditing of the accounts of the three years of Ring rule.

THE PRICE OF OFFICE UNDER GRANT.

At the sessions of 1874–5 Congress provided about $1,600,000 for various purposes of District expenditure and adjourned with the understanding which was conveyed to the country that the issue of 3.65 bonds would not exceed $10,000,000, one and a half millions more than the amount estimated by the Investigating Committee of 1874 that it would be required to settle up all the outstanding accounts of the Board of Public Works. During the last days of the Session the Board of Audit had reported in guarded terms that the measurements made by Babcock of work done by the Board of Public Works around Government property were false and fraudulent. Immediately after the adjournment of Congress the auditors were disciplined for this piece of boldness by the thick and thin friends of the Administration, who demanded their removal on various charges. They were suffered, however, to make their peace, and since that time they have been subservient to the Ring. Pretending to be absorbed with their duties as Comptrollers of the Treasury they gave but slight supervision to the work of their subordinates in the Board of Audit, and the result has been most disastrous to the District Treasury. In cases where the engineer refused to allow the demands of contractors, assistant accountants measured the work themselves, laid the result before the Auditors for their signatures, and thus passed the allowance over the engineer's head. Instead of acting

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as a check upon and preventing the payment of fraudulent ring accounts, the Board of Audit has really passed anew and paid accounts that had already been settled and paid under the Board of Public Works. Irregular allowances made by the accounting officers of the Board of Public Works have been accepted as establishing precedents, and all descriptions of fraudulent accounts have been allowed on this basis. The investigation by the House Committee on the District of Columbia last spring developed numerous cases where contractors who had been paid all they demanded, sold for a song to middlemen the right to present further claims against the District, and in every instance these bogus claims were allowed and paid through the Board of Audit. Here is one single case as a sample: Albert Gleason was paid in the summer of 1873 the $65,762 for depositing surplus earth in the canal, yet in 1875 Gleason obtained a "final" measurement and was allowed for this very same work again $84,606.77 in full as a "final measurement" ! ! !
work for which he had been paid in 1873.

"GIVE! GIVE!"

The Ring, which will continue to afflict with its baleful presence the District of Columbia so long as the Republican party remains in power, seeks by every contrivance to obtain money through the National Treasury. Like the horse-leech's daughter, they continually cry "give, give." At the commencement of the last session of Congress, they demanded an appropriation to pay the interest on 3.65 bonds, and further that Congress should, by appropriate legislation, guarantee not only the payment of the interest, but of the principal of these securities at their maturity. The Attorney-General for the State of New York had decided that these bonds were not of that class of securities in which savings banks of that State could legally invest. This, of course, depreciated the bonds in the New York market, and the Ring began at once to bring every influence to bear to induce Congress to guarantee them. The faith of the United States had been pledged by the act authorizing their issue to have such taxes imposed upon the property of the District as would pay the interest of these bonds and create a sinking fund for the payment of the property at maturity; but when the act was under discussion, Mr. Lawrence, of Ohio, asked Mr. Wilson, who reported it from the committee, the following question: "Is there anything in the bill which commits Congress to the endorsement or payment of the District debt?" Mr. Wilson replied, "No, sir; I think I can show that the committee has been carefnl about that." At the very time the Commissioners were demanding of Congress an appropriation to pay the interest on these 3.65, it was shown that there was to the credit of the District in the treasury $1,088,733.57, which was being daily increased by certain receipts of taxes. The payment of the interest was actually claimed with this large balance to the credit of the District simply because the Ring thought that by raising the cry of repudiation, they could compell Congress to appropriate the money from the National Treasury. After a long and very determined opposition, the Democratic House finally succeeded in forcing the Senate to pass the bill which directed the Commissioners to pay the overdue interest on the 3.65 bonds out of the balance to the credit of the District in the Treasury.

THE FRUITS OF FIVE YEARS OF RING RULE.

The foregoing sets forth a few of the prominent instances in the history of the District of Columbia under the Ring rule which was imposed upon the people by a Republican Congress, and maintained in spite of all the exposures which have been made from time to time.

The population is 150,000, all told. There is now a debt averaging $166 for every man, woman and child in the District. It amounts to 27 per cent. for the entire taxable real estate. The assessed value of the real estate in the District is $93,452,684. In January, 1876, property to the value of $13,213,911 had been sold for taxes in arrears. The auctions at which this property was sold were held in two different places, so that a piece of property would be knocked down to the District of Columbia for general taxes and to the First National Bank of New York for special taxes almost simultaneously. Property to the value of $2,888,893, as was officially stated in answer to the resolution of the House dated January 8th, 1876, was in this way sold, and unless the owners are able to redeem it, it will be jointly owned by the District of Columbia and the First National Bank of New York.

Of the many millions of dollars which have been expended since July 1st, 1871, over seven millions of dollars have been expended for wood and concrete pavements. The former are rotten, and there is scarcely a street on which they were laid now passable for driving purposes; the concrete pavements, with here and there an exception, are crumbling, disintegrating and rapidly being washed away by heavy rains, or scattered in dust over the city by the winds. The testimony of experts proves that considering the character of the work done under the Board of Public Works, as well

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as under the Commissioners, the price paid to contractors for these pavements enabled them to make a profit of from one hundred to one hundred and twenty-five per cent. Fully one half of the $7,000,000 went into the pockets of the ring contractors and their official associates. The whole amount is practically a dead loss to the District, because the pavements will all have to be renewed within less than two years.

STILL OTHER FRAUDS.

The District Committee of the House of Representatives at the last session of Congress made a partial investigation of the transactions of the Commissioners as well as the Board of Audit, and in addition to eliciting the facts already referred to in the foregoing pages, it was discovered that the Commissioners had in their various reports to Congress deliberately misrepresented the liabilities of the District, and wilfully reported their expenditures to be less than they really were. For instance, they reported to Congress in 1875 that they had during the season of 1875 contracted liabilities to the amount of $4,235,841.96. When the District Committee placed an expert at the books of the Commissioners it was found that they had calculated on 3.65 bonds to pay expenses incurred during 1875 to the amount of $5,419,026.36. The Commissioners admit this *mistake* (?) AFTER the proof of the error had been obtained by the Committee, but attempted to place the responsibility on Lieutenant Hoxie, their executive officer. This officer was undoubtedly responsible to a certain degree, and in any other country would be held to a strict accountability therefor; but, of course, he has nothing to fear so long as the Republican party remains in power. But, even if Hoxie suppressed or aided to suppress the facts in this instance, still this does not relieve the Commissioners because Hoxie does not finally pass the accounts, and moreover he does not direct the work to be done save upon the orders of the Commissioners.

It was also discovered that in the annual report of the Commissioners there were recommendations which if they had not been condemned by Congress, might have been made the basis of new claims against the United States amounting in the aggregate to more than $4,000,000.

And, further, it was found that in the disbursement of $75,000 which had been specially appropriated by Congress to pay laborers who had been defrauded by Ring contractors, the Commissioners had paid large sums on fraudulent pay-rolls. And, among other things, it was in this connection proved that a contractor had liquidated a livery bill by having the owner of the stable paid on a forged pay roll. It was also shown that the engineers' department for salaries for employes, required last year $164,767.72. Under Shepherd's rule this bureau had for the same purpose cost $313,576. The reduction for engineering expenses under the Commissioners seems large when compared with the Boss's expenditures; but when we compare it with the cost of the engineers' department for the city of Buffalo last year, $12,320, the extravagance and mismanagement which still exists in the management of the affairs of the District is made apparent.

IT WILL NOT BE DONE.

In their report to the House of Representatives the District Committee recommended that the evidence in regard to all these frauds and violations of law should be transmitted by the House to the Attorney General with instructions to that officer to institute proceedings for the recovery of the money which had been illegally and improperly obtained from the District Treasury; and the same evidence also to be certified to the District Attorney to lay before the grand jury, with instructions to investigate and institute criminal proceedings. These recommendations the House adopted. No one, however, believes that any attention will be paid to these instructions. The Ring rogues laugh at such proceedings, and will continue to defy justice as long as the Republican party remains in power.

$43,000,000 IN FIVE YEARS.

The following exhibit shows the expenditures of a municipal character which have been made since July 1st, 1871, to July 1st, 1876, a period of five years; the figures are official and can be relied upon with the utmost confidence. This table is as complete as it can be made, but there are many items of expenditures during the administration of Boss Shepherd which, with all the efforts that have been made, have not yet been obtained:

RECAPITULATION OF ALL EXPENDITURES OF A MUNICIPAL NATURE, INCURRED IN THE DISTRICT OF COLUMBIA FROM JULY 1, 1871, TO JULY 1, 1876.

Receipts from general taxes under Territorial Government, (p. 534, Off. Rep. Investigation 1874)...	$3,465,006 39

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Receipts from special improvement taxes under Territorial Government (Commis. Rep., Dec., 1874, p. 84), cash	$464,718 30	
" " Special improvement taxes under Territorial Government, in 10 per cent. lien certificates sold (44th Congress, 1st Sess., H. R. Mis. Doc, 103, part. 3, page 159	817,039 87	
" " Special improvement taxes under Territorial Government by loan on improvement certificates, July 1, 1873	2,000,000 00	
		3,281,758 17
" " General taxes under Commissioners:		
(A) from July 1 to Dec. 1, 1874	$1,628,985 80	
(B) " Dec. 1, 1874, to Dec. 1, 1875	2,539,065 02	
(C) " Dec. 1, 1875, to June 1, 1876	888,337 68	
(D) " June 1 to July 1, 1876 (off. est.)	50,000 00	
	$5,106,388 50	
Deduct for redemption of taxation, certificates, etc	205,095 99	
		4,901,292 51
" " Increase of Bonded Debt:		
Old bonded debt in December, 1875	$8,441,113 43	
Deduct amount of bonded and floating debt of old municipalities, as per off. rep. of Audit Committee, Nov. 8, 1871	3,495,188 75	
		4,945,924 68
" " From 3.65 bonds, incl. suspended accounts		15,000,000 00
Total from District resources		$31,593,981 75

Received from Federal Government:

For improvements by City of Washington	$ 228,632 75
" " " Board of Public Works	3,597,936 18
By District Commissioners, exd. Board of Health and Fire Department	2,225,490 01
" Interest on 3.65 bonds (in two instalments)	367,500 00
" Salaries of Territorial officers and counsel	86,000 00
" Fire department, Dist. Columbia	71,791 66
" Metropolitan police	1,036,090 00
" Relief of starving school teachers	97,740 50
" Board of Health, including salary of members	199,262 42
" Miscellaneous charities, relief of poor, etc	799,110 00
" Completion of Georgetown school house	50,865 00
" Engine house on Capitol Hill	10,000 00
" District jail	535,548 93
" Anacostia bridge	146,000 00
" Chain bridge	104,980 00
" Judges of Court and Warden of Jail	112,500 00
" Repairs of Court house	8,500 00
" Transportation and support of convicts	42,000 00
" Commission to frame a new government	4,725 01
" Inspector of gas	6,000 00
" Reimbursement to Register of Deeds	2,898 00
" Donation of rental from Washington Market Comp.	58,500 00
" Expenditures on public grounds, excluding Capitol grounds	683,592 00
" Salaries on public grounds, approximate	194,000 00
" Aqueduct	291,751 00
" Actual cost of maintaining 259 indigent insane at Government Insane Asylum, charged to District and estimated at $4.25 per head	286,195 00
	11,247,608 46
	$42,841,590 21

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Deduct balance on hand on July 1, 1876, as per official estimate sent to District of Columbia Committee on June 1, 1876	154,492 65
Total expenditure as far as ascertained	$42,687,097 56

$30,000,000 SQUANDERED.

The following table, compiled from official sources, shows the amount of money expended in street improvements in Washington, Georgetown, and the roads in the County during the period of five years in which Ring rule has been omnipotent:

COST OF STREET IMPROVEMENT IN DISTRICT OF COLUMBIA FROM JULY 1ST, 1871, TO JULY 1ST, 1876.

Work done by Board of Public Works and charged to old Corporation of Washington	$527,354 54
Government contribution under same head (in 1872 and 1873)	228,632 75
Proceeds of loans by District Government	4,790,000 00
Cash appropriation by District Government	117,000 00
Bonds for laying a new water-main in 1872	485,000 00
Receipts from special assessments, cash and certificates sold	3,281,758 17
Issue of 3.65 bonds and Board of Audit Certificates	14,612,233 69
Direct appropriations from Congress	3,597,936 18
Temporary loans of Board of Works, redeemed by Commissioners with District and Government funds	1,136,903 34
Overdue salaries and wages under Board of Public Works, paid by Commissioners with mixed funds	421,999 79
Expenses of Engineer Department under Commissioners, including parking-commission, sewer-pipe, freight, etc., estimated	320,000 00
	$29,518,818 46
Add necessary for completing work, now half done, by last official estimate (under estimated)	453,193 80
Grand total	$29,972,012 26

This represents the cost of improving less than one-half of the streets of Washington, and is coupled with the necessity of spending millions at once for replacing the fraudulent patent pavements, if the improvements already made are to be kept up.

CURRENT MUNICIPAL EXPENDITURES OF THE DISTRICT FOR FIVE YEARS ENDING JULY 1ST, 1876.

Grand total of expenditures		$42,687,097 56
Deduct actual expenditures for street improvements	$29,518,818 46	
" cost of jail and bridges, etc.	786,528 93	
		30,305,347 39
		$12,381,750 17
This includes $1,169,343 for current expenses of parks and aqueduct, and averages per annum		$2,476,150 03

$14.000,000 BEYOND THE LIMIT.

The subjoined Exhibit gives in detail the present debt of the District of Columbia.

PRESENT DEBT OF THE DISTRICT FROM BEST SOURCES ATTAINABLE.

Old funded debt, as per official statement, Feb. 1st, 1876	$8,431,513 43
Funded (floating) debt of late Territory and District Commissioners, in 3.65 bonds, and temporarily suspended acccounts	15,000,000 00
Excess of outstanding 8% special improvement certificates (issue of July 1st, 1873), over and above tax lien certificates, pledged for their redemption (44th Congress, 1st Ses., Sen., Mis., Doc., No. 101).	369,026 55
Sewer-certificates outstanding, and not converted into 3.65 bonds	71,312 80

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Unsettled old accounts by corporations and Territory aside of the vast claims in pending suits of "Board Contractors"	150,000 00
Damages to real estate by the improvements under Commissioners, esuimated on the basis of settlement for damages under Territory	100,000 00
	$24,121,852 78

The total burden upon the people of the District however, is much larger. To ascertain this, should be added to the above:

Taxes in arrears on property on account of same and bid in by the District Government (Com. Rep., Dec., 1875, p. 7)	$900,000 00
Due to holders of 10 per cent. improvement certificates (Com. Rep., Dec., 1875, p. 463)	357,133 27
Due to holders of 8 per cent. improvement certificates (Sen., Mis., Doc. No. 101)	946,069 15
Actual outstanding against citizens	$2,203,202 42
The Commissioners state (Rep., Dec., 1875, p. 7), that they are now making out more assessment-bills for special improvements, to the amount of $1,689,844.70, *in excess* of outstanding 8 per cent. certificates ($369,026.55, as above), or a total of	2,058,871 25
Present and impending indebtedness of citizens, as officially stated	$4,262,073 67

The Commissioners manufacture prosperity by treating these wild charges for special improvements as assets, while they are illegal by millions and can never be enforced. There is no law authorizing the real estate of the District to be encumbered to the amount of about $4,900,000, which is the basis of the official statement for special improvements charges.

THE STEWARDSHIP OF THE REFORM GOVERNMENT.

The receipts and disbursements of the District Government under a Republican "Reform" (?) rule—the Commissioners—are set forth in the following table:

THE STEWARDSHIP OF REPUBLICAN REFORM GOVERNMENT IN THE DISTRICT OF COLUMBIA.

Receipts from general taxes and licenses:		
July to December, 1874	$1,751,896 99	
December, 1874, to December, 1875	2,539,065 02	
December 1st, 1875, to June 1st, 1876	888,337 68	
		$5,179,299 69
Receipts from U. S. appropriations to District Commissioners direct,		
June, 1874	$1,300,000 00	
	237,132 72	
	$1,062,867 78	
Receipts from various appropriations:		
December–March, 1875	1,218,968 75	
Total appropriations through Commissioners		2,281,836 03
		$7,461,135 72
Of this there was expended:		
For liquidation of Shepherd's debts	$2,077,340 73	
For repaying holders of tax lien certificates, &c	205,095 99	
Cash on hand on June 1st, 1876	506,492 65	
		$2,788,929 37
Expended for current expenses of period between July 1, 1874, and June 1, 1876		$4,672,206 35
To this must be added proportionate appropriations of U. S. by various other channels than those above:		
Appropriations for salaries and expenditures of Board of Health	$1096 42	

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Appropriations for a schoolhouse in Georgetown (Commissioner of Education)	50,865 00	
" " Metropolitan Police	412,800 00	
" " Aqueduct	62,400 00	
" " Miscellaneous charities	374.050 00	
" " Continuation of work on District jail	185,548 93	
" " Miscellaneous objects, not including parks	68,000 00	
" " Interest on 3-65 bonds	367,500 00	
		$1,626,126 35
Aggregate of Expenditures in cash		$6,298,332 70
Add increase of 3.65 bond debt, above statement of President Grant in December, 1874, and estimate of Commissioners of Feb., 1875, at least calculation		$5,000,000 00
Grand total of expenditures of twenty-three months, excluding amount required, *bona fide*, to complete improvements left exposed or half finished, June, 1874.		$11,298,332 70

CURRENT MUNICIPAL EXPENDITURES OF THE DISTRICT UNDER THE "REFORM COMMISSIONERS," FOR THE YEAR ENDING JULY 1, 1876.

The expenditures for purely municipal purposes showing the cost of governmental machinery during the year July 1st, 1876, are shown by the following exhibit.

Object of Expenditure:	
District Offices and Expenditures as per report of Auditor, D. C.	$287,474 74
Water Department	118,965 81
Public Schools, White and Colored	362,518 95
Metropolitan Police	325,669 54
Fire Department and Fire Alarm	113,954 93
New Fire Alarm Telegraph	75,254 50
Public Charities and Corrections	201,734 31
Board of Health	97,598 38
Support of Indigent Insane of the District	57,239 00
Interest on Old Bonded Debts, Salaries and Contingencies of Sinking Fund, but *excluding* any provision for Reserve Funds	603,755 00
Interest on 3.65 Bonds	367,500 00
Markets	13,981 42
Advertising	65,174 10
Street Lamps and Gas	145.009 72
Improvement and Repairs, Cleaning, Sweeping, etc	146,152 68
Board of Audit $45,339.64, *excluded*	
Police Court	1,838 09
Employes of Late Territorial Government $56,207.50, *excluded*	
Miscellaneous	46,439 11
Salaries of Judges and Warden of Jail	22,500 00
Transportation and Support of Convicts	8,000 00
Inspector of Gas	3,000 00
	$3,063,760 28
Current Expenses of Public Grounds and Aqueduct, including Salaries and Wages	162,520 00
Same of Aqueduct	18,000 00
	$3,244,280 28

Of which was contributed by taxation	$1,350,354 28
And by Appropriations of Congress	1.893,926 00
Total as above	$3,244,280 28

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IF THIS BE REFORM—.

It should be said that the fiscal year of U. S. commences on July 1, while that o the District commences on December 1. The appropriations of Congress from July 1, 1875, to July 1, 1876, have been inserted to simplify the accounts, and facilitate a revision of same. Further, it should be considered that last year all the "repairs" of streets, costing $809,000 additional have been paid in 3.65 bonds, independent of the above, and that the Engineer states it will cost ten per centum of original cost per annum to keep in repair his best coal-tar pavements, of which there are about 750,000 square yards at present. The latest estimate of the Engineer for repairs of wood pavements and concretes alone required for current year is $404,333.32, exclusive of $320,000 for the new Pennsylvania avenue pavement.

It will be observed that the current municipal expenses for the year ending July 1st, 1876, exceeded the average of the last five years, when the amount for street repairs is deducted by $780,000, while the increase of interest of the debt on the 3.65 bonds was but $367,500.

This fact will be sufficient to expose the enormous frauds perpetrated on the country and the citizens of the District, under the fascinating theory that the Republican party is about to reform itself and become a terror to evil-doers.

SCHEMES OF PLUNDER IN ABEYANCE.

The men who have wrought this ruin, and burdened the property of this District with an enormous debt of $24,000,000, have in reserve grand schemes by which they expect to draw millions from the National Treasury, provided the present party is suffered to remain in power. One of these schemes was presented to Congress in 1872 [See Senate Misc. Doc., Number 15, Third Session 42d Congress.] It contemplates filling up the Washington channel of the Potomac river, and reclaiming the immense marshy flats of over one thousand acres in extent in front of the southwestern part of the city, and to establish a new river front in a southwestern direction from the present line about 3,200 feet distant, and at the edge of the present Georgetown channel, near the Virginia shore, which is to be in future the common channel. The reclaimed land, a dead level, about eight feet above mean high tide, is divided off according to the plan into squares and building lots with as much freedom as vivid imagination admits, and estimated at fifty cents per square foot; the value of the made land is set out in the official estimates at $18,537,780, of which the Government is to occupy an area worth (!) $8,889,000, and the rest is to be sold for the prosecution of the work. To begin with, however, an appropriation by Congress of $6,050,000 cash is relied upon. An item was smuggled into the River and Harbor Bill of June 23, 1874, which was as follows: "Improvement of Georgetown channel—that the appropriation of March 3d, 1873 ($50,000) for the improvement of the Harbor of Washington and Georgetown be made to apply to the dredging the Virginia or Georgetown channel of the Potomac River above and below the Long Bridge; and that the earth excavated therefrom be deposited so as to carry out, so far as practicable, the plan of improving the harbors of Washington and Georgetown, in accordance with recommendations made to Congress on December 17th, 1872."

The recommendations made to Congress on December 17th, 1872, are embodied in the Senate Miscellaneous Document above referred to. The District Commissioners to assist in carrying out this scheme, last summer extended a number of contracts for grading, which was to be done on streets in different parts of the city, to that portion in which the National Observatory is located. The lucky contractors were instructed to cut down the street at the northwest corner of the Observatory reservation some 35 feet, and a railroad was built to remove the immense masses of earth out into the marsh. A great deal of work under these contracts was done before the discovery was made. When the job was exposed in the newspapers, the Commissioners were frightened at the prospect of investigation by the Democratic House of Representatives, and the work was stopped.

However, if the Republican party should get another lease of power for four years, the country may be prepared for heavy drains on the National Treasury to enable the Ring, not only to complete this scheme, but divers others which have not yet been made known to the public.

STRIKING AT THE PUBLIC SCHOOLS.

The official announcement is made Aug. 23, 1876, as we go to press, that the Radical Reform (?) Commissioners have resolved that the Public Schools must be kept open only eight months instead of ten, in order that the money which ought to be applied to this purpose may be left available for jobbery—in the engineer's department.

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THE EMMA MINE SWINDLE.

THE NATIONAL HONOR TARNISHED BY ROBERT C. SCHENCK.

Mr. HEWITT, of New York, from the Committee on Foreign Affairs, submitted the following Report to the House of Representatives, on the charges against ROBERT C. SCHENCK, our Minister to England, respecting his connection with the "Emma Mine" swindle:

The Committee on Foreign Affairs respectfully beg leave to submit the following report:

On the 28th day of February, 1876, the House adopted a resolution in the following words (page 1):

Resolved, That the Committee on Foreign Affairs be authorized and instructed to inquire further into the connection of the United States minister at the Court of St. James with the Emma Mine, so called; that it have power to send for persons and papers; and leave is given to said committee to sit during the sessions of the House.

The correspondence which had taken place in reference to this subject between the Secretary of State and General Robert C. Schenck, the minister of the United States at the Court of St. James, and the communication of the Secretary of State accompanying the correspondence, had been previously referred back by the House to the committee for further consideration (pages 4–9).

This correspondence developed the fact that in the month of November, 1871, the American minister at the Court of St. James had become a stockholder and a director of the Emma Silver-Mining Company of London, a corporation formed in Great Britain, the country to which he was accredited, for the purchase of a mine in the United States, which he represented as envoy extraordinary and minister plenipotentiary. So far as the committee have been able to ascertain, and they believe it to be true, this is the first occasion in which a diplomatic representative of the Government of the United States has allowed himself to become associated, while acting as minister, in a private enterprise, carried on in his own country, but offered for sale in the country to which he is accredited. The questions presented, therefore, for inquiry and consideration are as follows:

1. Whether it is proper for an American minister to allow the use of his name, and consequently of his official position, for the two cannot be separated, to further

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the sale of American property in the open markets of the country to which he is accredited.

2. Whether his relations to the vendors of the property have been such as to cast suspicion upon his motives, and subject his action to unfavorable criticism.

3. Whether his subsequent action in connection with the company, or its shares, by dealing in them or otherwise, is compatible with the proper exercise of his diplomatic functions and the maintenance of a position of honor and usefulness at his post of duty.

If the committee are right in their view of the inquiry submitted to them, it will be seen that the question of the real value of the Emma Mine has no special bearing upon the conclusions to be reached. They have, however, felt themselves compelled to take a large amount of testimony on this subject, because evidence bearing upon that point had been taken prior to the arrival of General Schenck, who therefore insisted that it was necessary for his defense and vindication that further testimony should be taken, and they were unwilling to deny to a man so long and eminent in the public service any privilege which he might feel disposed to claim. He has therefore had full liberty to produce evidence giving the whole history of the enterprise, and the result is the volume of 879 printed pages, which is herewith submitted to the House as part of this report.

From this mass of evidence, it appears that in the month of April, 1871, Trenor W. Park and Henry H. Baxter, both American citizens, purchased one-half interest in the Emma Silver Mine, situated in the Territory of Utah, for the sum of $375,000, and subsequently one-sixteenth interest at the rate of $1,500,000 for the whole mine, subject however to the claim then in litigation of James E. Lyon, of Wisconsin, for one-third of the property (page 463). In this litigation, Lyon was represented as counsel by William M. Stewart, then a Senator of the United States from the State of Nevada. In August, 1871, an agreement was made between the owners of the Emma Mine, and Stewart, acting as the attorney for Lyon, in pursuance of which it was agreed that the property should be offered for sale, and (page 51) the claim of Lyon finally adjusted, but it was expected and represented that the amount likely to accrue to Lyon would be $500,000, as will appear from the annexed letter, which Stewart sent to Lyon at the time.

"THERE'S MILLIONS IN IT."

NEW YORK, August 5, 1871.

FRIEND LYON—Hillyer will start in about twenty minutes. He will explain to you the arrangement; it is not as good as I tried to get, but, after three days of talk, it was the best I could get. The plan has this advantage, that we will not be fighting for a worked-out mine. The litigation will not be injured, and if we gain the case we shall recover something, besides the right to bring other lawsuits. They have worked the mine up so in England by the ore they have sent, and the manner of sending it, that I have no doubt of a sale from five to eight millions.

I have seen their correspondence with the two English houses to whom they sent the ore. They are crazy about the mine. The Emma party have been working all the time to put up the reputation of the mine. I have refused to give up the lawsuit under any circumstances unless you get $500,000. You will, without doubt, get that.

WM. M. STEWART.

Stewart's personal interest in the matter was to be one-fourth of the amount which might be realized by Lyon. In September, Park, representing the owners of the mine, and Stewart, representing Lyon, sailed for England for the purpose of selling the property. The evidence shows that during the summer, and up to this time, extraordinary efforts had been made to produce a large yield of ore from the mine, and that the product of the four months from 1st May to 1st September (page 672) was much larger than it had ever been before or ever was afterward. All the rich ore produced was forwarded by steamers to England and there sold, and the large yield and value of the ore were well known to the mining world.

On their arrival in London (pages 464, 465), they were met by C. M. Fisher, an American lawyer, who it is testified had done a good deal of legal business for the American legation, and whom General Schenck had known in London prior to his appointment as minister.

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AN ARRANGEMENT MADE WITH TRENOR W. PARK AND SENATOR STEWART.

Fisher introduced Park & Stewart to Coates & Hankey as a firm desirous to purchase the property. A contingent arrangement was made with this firm, which subsequently fell through, but resulted in the introduction by them of Park & Stewart to Albert Grant, of the firm of Grant & Co. of London, well known for their success in bringing out, or "floating," as it is called, new companies upon the English market. After some negotiation, covering the month of October, 1871, Albert Grant agreed to take up the enterprise, for reasons which he has given to the public in a circular dated January 5, 1876, which appears in full in the statement of Albert Grant, attached to the evidence herewith submitted (page 31). In this statement, he says, after referring to the report of Professor Silliman, also included in the evidence:

Being thoroughly satisfied with this report, I made an arrangement with Messrs. Park and Stewart to aid them with my influence in obtaining the capital necessary to enable the company to acquire it, the price they required for the mine being one million sterling, half of which they stipulated to take in shares of the company.

In addition to the evidences of *bona fides* before referred to, Mr. Park informed me he had reason to hope and believe that the American minister, General Schenck, would, if requested, join the board of directors; adding that he knew something of the property, and was disposed to invest some considerable amount in its shares, and Mr. Park asked me whether this fact would be favorably looked upon. I told him that it would be very satisfactory to every one about to be connected with the company, and especially to myself, as, I added, I felt certain it would inspire confidence in the undertaking, as, from the well-known honorable character of the American minister, it was not to be supposed for a moment that he would have lent the weight of his name, given in addition to the influence of his official position, to an undertaking in the good faith of which he did not implicitly believe.

MINISTER SCHENCK FULLY INDORSED.

This proposal for General Schenck to join the board was conclusive to me, as it would have been to anybody else, however cautious or experienced, as to the entire trustworthiness as an honorable man of Professor Silliman; of the good faith and respectability of Messrs. Park and Stewart, who were themselves to join the board, and, as I believed, entirely covering any moral responsibility I might assume in using the influence of my position to assist the vendors in obtaining the capital for the company. That was my fixed opinion then; it is not less my fixed opinion now.

It will thus be seen that Albert Grant alleges that he was induced to undertake "to float" the company upon the English market, because the American minister had agreed "to join the board of directors," and to lend "the weight of his name, given in addition to the influence of his *official position*," to the undertaking. The evidence goes to show also clearly, but not of course absolutely, that no one else but Grant & Co. could have successfully sold a mine at that time in the English market, which was not then favorable for the sale of mining property. Park, however, swears that the arrangement with Grant was verbally completed before he applied to General Schenck to become a director, although he had previously agreed to take stock; but he admits that the contract with Grant & Co. was not signed until after he had procured the consent of General Schenck to join the board of directors (page 650). It would seem therefore that Grant is sustained in his statement that he did not finally decide to engage in the enterprise until he had satisfactory assurances that Schenck would become a director.

The contract with Grant & Co. is given at length in the evidence (page 252). It provides that the property shall be capitalized at £1,000,000, half of which is to be offered to the public at par in £20 shares, and the other half of the shares are to be retained by the vendors for nine months, unless Grant & Co. should consent to their sale at an earlier date. Grant & Co. were to receive as compensation for "promoting" the company 20 per cent., equal to £100,000, on the sale of the first half of the shares, and one-half of the profits realized upon the sale of the second half retained by the vendors. Grant & Co. were authorized to "sustain the market" pending the allotment by the purchase of shares at a premium for the account of the vendors.

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THE BAIT WITH WHICH SCHENCK CAUGHT HIS FISH.

Thereupon a prospectus, dated November 9, 1871 (pages 69–74), was issued, inviting proposals for the stock from the public until the 16th November, when it appears that shares were applied for largely in excess of the whole number advertised to be sold. This prospectus contains a list of directors, among which is the name of "Major-General Robert C. Schenck, United States minister, London," and in the body of the prospectus occurs the following paragraph:

Major-General Schenck, on account of the *exceptional character of the undertaking*, has consented to act as one of the directors.

The prospectus contains a very full statement of the property sold and the resources in hand available for cash dividends, affirming that these are sufficient to warrant cash dividends at the rate of 1½ per cent. per month for twelve months.

In addition to these resources, the prospectus asserts that "the mine includes about 13,250 tons of first-class ore, already developed in various parts of the mine, and described in Professor Silliman's report of the estimated net value of £357,750.

The prospectus then states:

From the above arrangements and details will be seen the extraordinary character of the property that will be acquired by the company, and in what a totally different character the Emma Mine stands to almost every mine in which the public have been allowed to participate by subscription.

For this statement every director, including the American minister, was responsible, so far as his character and judgment were concerned.

If this statement had been true, then the resources "already developed" were sufficient for two years' additional dividends at the rate of 18 per cent. per annum, thus securing from both sources to the stockholders 54 per cent. of the purchase-money, without any further product whatever beyond the reserves already developed.

LARGE DIVIDENDS—ON PAPER.

The evidence shows (page 696) that dividends at the rate of 1½ per cent. per month were paid for thirteen months consecutively, until December, 1872, since when no dividends have been earned or paid, and there is no money on hand out of which they can be paid, and there is no ore in sight which can be mined, all the ore in the old workings having been absolutely exhausted, and no new ore developed by the subsequent explorations. Of the dividends paid, £36,000 were advanced on sales of ore by Mr. Park (pages 554, 656,) who is now suing the company for a balance of about £25,000 thereof, so that the net amount of earnings actually divided was £170,000.

On inquiry by the committee, Mr. Park professed his inability to account for the disappearance of the reserves, alleging as a reason that he had been refused access to the mine, and no satisfactory (page 657) evidence was presented to the committee as to what had become of the remainder of the available resources, estimated in the prospectus to be of the total value of £539,050, or of the large quantity of ore which ought to have been found during the years 1872 and 1873, during which mining operations were steadily prosecuted.

WORTHLESS SHARES.

The result is that the shares have greatly depreciated in value, having fallen from £32 per share, at which they were sold May 11, 1872, to £1 5*s.*, at which they are now quoted. The mine itself is still in the possession of the company, but the personal property has all been sold under execution issued in favor of Mr. Park, and has been purchased by him, and is now in his possession. Great losses and consequent distress have thus fallen upon a large number of innocent people, who, believing in these representations, had subscribed for the shares; and probably no failure of recent date has caused more general denounciation and brought more odium to its authors than this unfortunate enterprise.

Such, briefly, is the skeleton history of the Emma Silver-Mining Company of London, as developed by the evidence submitted to the committee.

The history of General Schenck's connection with this company, as disclosed by the evidence, would appear to be as follows:

About the middle of October, 1871 (pages 281–286), General Schenck made the acquaintance of Park, in company with Stewart, whom he had previously well known in the United States. The object of their visit to England was mentioned, and a conversation ensued upon the subject, which led Stewart to suggest to

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General Schenck that he should purchase shares in the company about to be formed. On Schenck's reply that he had no means to invest, Stewart suggested that "Park, owning a great many of the shares, and being a man of wealth, could assist him if he was so disposed;" and accordingly Park proposed to Schenck that he should become a subscriber in the company about to be formed to the extent of five hundred shares of the value at cost of £10,000, with the understanding that General Schenck would not be required to provide any money, but that Park would let him have the amount for one year without interest. As a further inducement for General Schenck to take the stock, Park guaranteed that the dividends thereon should amount to 2 per cent. per month while held by said Schenck; and that he would at any time, on the request of Schenck, take back the shares at the par value thereof. It was further provided that Park might relieve himself from this guarantee at any time by offering to take back the shares at their par value (see documents, page 280). The practical result of this agreement was to give to General Schenck a bonus (page 647) of 24 per cent. on the stock subscribed by him, because the note which he gave in payment for the stock was made payable in one year and bore no interest. By a subsequent arrangement, the dividends guaranteed were reduced to 1½ per cent., thus reducing the bonus to 18 per cent. on the amount of the purchase. In addition to the note given in accordance with this agreement, Schenck also agreed to assign to Park, as security for the payment of the note, four hundred and seventy-five shares of the said stock, and, if required by said Park, to give him a mortgage on certain real estate in the city of Washington; but the stock was not so assigned, and the mortgage was never given for any such purpose, although it was subsequently given to secure a loan of $15,000 made in 1874 by Park to Schenck. It is to be observed that the note, the guarantee of Park to Schenck, and the stipulation for security from Schenck to Park, all bear date upon the *same day*, November 1, 1871, and Park and Schenck both swear that they were executed on the day they were dated. Lyon, on the other hand, swears that Park told him that the note and the papers were signed at a subsequent date after the report reached London of the introduction of a resolution of inquiry into the Senate of the United States. The committee merely call attention to the fact that while Schenck purchased five hundred shares of stock, he only agreed to assign four hundred and seventy-five shares to Park as security, leaving twenty-five shares unassigned; these twenty-five shares were sold by General Schenck, as an act of personal friendship, to Mrs. Fannie Bates, then residing in Paris. The date of this sale (page 292) is on the 1st of January, 1872, and the money arising from it, £500, is indorsed upon Schenck's note to Park on the 8th of January, 1872; and the actual transfer of the stock to Mrs. Bates appears to have been made on the 31st of January, 1872. Now, if the documents between Park and Schenck were really signed on the 1st of November, 1871, then General Schenck must have had an understanding with Mrs Bates prior to that date that she was to have twenty-five shares of stock. Of this there is no evidence whatever, and considering that the contract, (to use General Schenck's language.) "was made on the last days of October, reduced to writing, and closed on the 1st day of November; that no company had yet been formed," it raises a strong doubt as to whether all the papers were executed upon the day when they bear date. The probability would rather be, though it may have been forgotten by General Schenck, that the note and the guarantee of Park were first executed, and the stipulation of Schenck to give security was executed at a later date. This view is confirmed by the letter of resignation of General Schenck, dated December 6, in which he says: "I still hold all the shares I have been able to take;" and by the statement of his counsel (page 17), speaking of the resignation on the 6th of December: "He retained his original shares, with the exception of twenty-five shares, soon afterward disposed of to a friend." It is also to be observed that the note was not stamped, an omission which neither Park nor General Schenck appear to have observed. The suggestion that General Schenck should become a director of the company is said by him to have been made either by Stewart or Park within a day or two after the execution of these papers. Stewart says that the proposition was made in the following language (page 161): "General, why cannot you be one of the directors? They have a salary connected with each directorship; it is $2,500 a year; that will be worth something to you, and you will have plenty of time to attend to it." Schenck replied: "I have not thought of doing any such thing as that, but I will think about it." On page 162, Stewart says that the only "consideration we sug-

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gested in connection with it was the salary he would get if he became a director, that is $2,500, which the rest of them were to receive."

Schenck and Park do not appear to remember that the salary argument was used. Schenck says (page 281):

MINISTER SCHENCK BECOMES AN EMMA MINE DIRECTOR.

Arguments were presented to me why I should be a manager. It was stated that Park and Stewart and Mr. Baxter would be American directors, but that they wanted somebody that would be in London, who was an American, to represent, and in some sense, if need be, to protect, American interests. That seemed to be a very plausible reason, but I still objected, and I placed my objection first upon the ground that I doubted the propriety of my having anything to do with the management of a company while I was there in a representative capacity, and that I certainly should not have anything to do with it unless I should first be satisfied that there were precedents for anything of that kind, or that it was not deemed proper by some persons whom I might consult upon the subject, and whose judgment might help to influence mine.

General Schenck did not consult the Secretary of State on the subject, but says (page 282) that he made inquiry of Mr. Moran, the secretary of legation; but Mr. Moran does not appear to have given any opinion as to the propriety of the American minister becoming a director in the Emma Mining Company, but only as to the character and standing of the English gentlemen to be associated in the direction. General Schenck's scruples appear to have been removed by the fact that the Duke of Saldanha, the Portuguese minister resident in London, was advertised as a director in a prospectus offering for sale the shares of the "Lisbon Tramway Company." This was one of the companies "floated" by Albert Grant, and was for the sale of a concession made to the Duke of Saldanha himself. As this prospectus was published on the 7th of July, 1871, these facts might have readily been ascertained (page 283).

Mr. Park's statement as to the motives which induced him to urge General Schenck to become a director are given on page 646 as follows:

I wanted to assist General Schenck, to be friendly with him, and I wanted to have his name connected with it. I wanted to have somebody in England on whom I could rely, and with whom I could correspond, and who would hold a large interest in it. He said that if he took the stock he would hold it as an investment. I was a total stranger in London when I went there, and I did not want to go away, leaving no American behind me who was interested in the mine to look after my interest.

Q. Didn't you consider it a very desirable thing to have the American minister a director in the company?—A. I did.

Q. Did you not, therefore, make to him the proposition to take stock on terms which you did not offer to any one else?—A. I did not make an offer to anybody else.

Q. What was your motive in offering him better terms than anybody else got?—A. Because I wanted him in the company for reasons I have given.

Q. Because he was the American minister?—A. Not solely for that.

Q. That was one element in it?—A. That was one element in it, of course. He was not only an honest man, but a prominent man, a man who was well known, who was prominently connected with the government for many years, and who is now known as the American minister. His name connected with any enterprise would, of course, add strength to it. There is no doubt about that. But I deny that that was my sole purpose. This is not the first instance of my doing the same thing. I could name numerous instances where I did the same thing with other parties, but not in the Emma Mine.

THE NAME OF THE AMERICAN MINISTER NEEDED TO PERPETRATE THE SWINDLE.

The reasonable conclusion from this evidence is that it was deemed by Park and Stewart most important to identify the American minister with the sale and management of the company, and that inducements were held out to him to secure his consent to become a stockholder which were not offered to any other director. There is nothing, however, in the evidence to show that General Schenck knew or suspected that any fraud was intended or about to be perpetrated upon the public, or that his official position was to be used to insure the successful perpetration of a fraud, if any were intended. On the contrary, all the evidence goes to show that

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he had formed the most favorable opinion of the mine, and had absolute faith in its value; and indeed it is impossible to believe, under any circumstances, however suspicious, that a man of General Schenck's eminent position would deliberately lend himself to the sale of a "worked out" mine at a fictitious value, when the discovery of its worthlessness must follow so soon upon the heels of the authors of the fraud, and consign him to everlasting infamy. But to a man of less confiding nature, the offer to sell the stock upon credit without the payment of any money, the guarantee of high dividends without the payment of any interest on the loan, the indemnity against ultimate loss by agreeing to take back the stock at any time at par, ought to have put him on his guard against the dangers of a connection with associates who made such tempting and such unusual offers.

Moreover, a more critical examination of the documents which were submitted to him would have enabled him to have discovered a discrepancy which should have kept him from giving the weight of his name to the prospectus in which he appeared as the American minister.

In the statement by Mr. Park to Coates and Hankey at the time when General Schenck's attention was first directed to the property (page 468) occurs the following item: "Profit on 5,638 tons produced by present owners (who purchased April 25, 1871), up to September 1, 1871, £158,268," or at the rate of £450,200 per annum.

In the prospectus (page 71), in which General Schenck's name appears as a director, is the following paragraph:

Net amount produced: Total estimated net yield of mine from 1st May to 1st September, equal to four months' working, £231,059, or at the rate of nearly £700,000 per annum. (See page 746.)

It is probable that General Schenck's attention was not attracted to this discrepancy; but it serves to show the danger of a departure by a public officer from the legitimate sphere of his official duties into the region of private business and speculation.

General Schenck testifies that he had doubts as to the propriety of identifying himself with a commercial or speculative company; but it does not seem to have occurred to him that these doubts could have been resolved without risk to his character and official position by referring to the standard authorities on international law, or to his colleagues in the diplomatic corps, or by consulting his government at home, from whom he could have had an answer within twenty-four hours; but he seems rather to have listened to the seductive arguments of those immediately about him, more concerned for their own profit than for his reputation, and holding out inducements to him which should have made him doubly cautious as to the nature of his decision.

IN THE MESHES.

Having thus placed himself in a false position with his own government by identifying himself with a private enterprise in regard to which he himself had grave scruples, without consultation with the Secretary of State, and having accepted pecuniary favors from the vendors of the property, which disqualified him on moral grounds from assuming the duties of a trustee, he nevertheless did, in advance of the sale of the stock, became a director of the proposed company, and therefore, as the agent of the vendors, joined in the invitation to the public to subscribe for its shares (pages 312, 313) without informing the subscribers that his dividends had been guaranteed to him, and that his shares had been procured by previous arrangement, without any risk of loss to himself, from the fact that one of the vendors had agreed to take the shares off his hands at any time at their original cost. He thus placed himself in a further false position with the public, for the reason that he could make a profit only by the successful issue of the shares, whether they should prove permanently valuable or not, while the public were sure to make a loss in case the representations of the prospectus should prove to be fallacious, while he could make no loss. He was in fact in the position not merely of a vendor, refraining from the publication of facts which might have been important for the buyer to know, but of a trustee bound by the obligations of his trust, to inform those for whom he proposed to act of his true position in reference to the enterprise.

In the recent case of Tooke *vs.* McDougall, as reported in the London Daily Telegraph May 3, 1876, having reference to the Emma Mine, Mr. Justice Grove uses the following language upon this point:

He could not understand with what justice, unless by a public and open vote of

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the company, money was given to the directors—that money or shares should be given to persons in order to induce them to be directors, and to let their names be exhibited upon the prospectus. He did not consider this a proper thing, though he believed it was frequently done by men who were called honorable. The reason why the public attached faith to the names of directors was that they were led to believe that they were men who had invested their own money in the concern, and were persons upon whose judgment and position reliance could be placed; but if the directors had had their qualifications found for them, then the transaction was not a real one, and any faith which the public might attach to the names of the directors would be misplaced.

INEXPLICABLE STUPIDITY.

Throughout all his testimony, General Schenck seemed to be perfectly unconscious (page 313) of the impropriety of this action, and seemed to regard it as a matter purely personal to himself and Mr. Park, in which the other shareholders and directors could have no concern; but when it is remembered that the name of the American minister is not only put forth in the prospectus as a director, but as a voucher of "*exceptional character*" of the property, and that according to his own statement it is manifest he subscribed publicly for £10,000 of the stock, apparently upon the same terms as the other subscribers, but in reality upon a private arrangement, previously made with the vendors, in which he put no money at risk, and was absolutely guaranteed against loss, it cannot be denied that he occupied a position which cannot be defended. It is no answer to this statement that General Schenck did, in reality, lose money by the operation. If he did so, it was because, in the hope of making a greater profit, he refused to take the profit which he might have had at the time when Park offered to relieve him of the stock in accordance with the terms of the guarantee (page 27).

As a matter of course, a high functionary who had thus placed himself in a false position with his own government, and with the people of the country to which he was accredited, must have expected that his action would not long pass without adverse criticism; but General Schenck appears to have thought it very unreasonable, for he says, on page 287:

It was not long after this that some comment was made in the city upon my being a member of a board of directors of a company which was offering a property on that market. It annoyed me, as you may very well understand, very much, to see that these criticisms were made in the papers. * * When I saw this comment, I made up my mind at once that perhaps I had committed myself to be drawn into what was a mistake in consenting, under any circumstances, to be one of the managers of the company.

BECOMING ALARMED.

Thereupon he sent the following telegram to the Secretary or State:

FISH, *Secretary of State, Washington:*

Am surprised and pained by telegrams from United States, published here, regarding my connection with Emma Mine. Have no pecuniary interest except some shares, for which, after investigation fully, I paid dollar for dollar. Having thus decided and raised means to invest, was solicited by respectable Americans to act with gentlemen of known high character as director, to protect their interest and my own in what I believe very valuable property. Perhaps made mistake. Want only honorably and usefully to serve my government and countrymen, but have not deemed it wrong to try to make something honestly for myself and family. Will withdraw from board or do whatever you advise. Will not embarrass administration.

SCHENCK, London.

Received 4:30 p. m., November 27, 1871.

It will be observed that General Schenck here alleges that for the shares which he held he had paid "dollar for dollar," "that he had raised means to invest," in other words, that he had made a purchase of stock for cash.

The truth is, as appears by his own testimony (page 310), that he had never paid one dollar in money for the stock, but had given his note to Mr. Park for the whole amount in advance of the issue of the prospectus. It is also apparent from his own statement that he had in fact no money which he could invest in the purchase of this stock; that it was in reality a speculation for which he borrowed from the vendor the entire amount of the purchase-money in the expectation of making a profit out of the rise of the stock, but was guaranteed against loss in case it should

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fall in the open market. In this respect, therefore, the telegram was not an accurate statement of the facts. The statement that he "was solicited by respectable Americans to act with gentlemen of known high character as director" was also incomplete in not stating that these "respectable Americans" were the vendors of the property, who had loaned him the means to invest.

To this telegram General Schenck received the following reply on the next day:

DEPARTMENT OF STATE,
WASHINGTON, December 28, 1871.

SCHENCK, *Minister, London:*

Although a public officer, you have the full right of every citizen to be a shareholder, and to invest your money in such honest enterprises as you think proper, and neither the government nor the public have any right to criticise or to censure you for so doing.

The advertisement of the name of a diplomatic representative of the government, as a director of a company seeking to dispose of its shares in the country to which he is accredited, is ill-advised and unfortunate, and is calculated to subject him to criticism; but it is assumed that the advertisement of the mining company in the London journals was not your act, but that of the agents of the company without consultation with you.

You are earnestly advised to withdraw your name from the management of the company.

FISH, *Secretary.*

It is to be observed that the Secretary of State affirms the full right of General Schenck to "invest his money in honest enterprises," but distinctly disapproves the connection "of a diplomatic representative of the Government as a director of a company seeking to dispose of its shares in the country to which he is accredited;" that he characterizes the advertisement of such connection as a director as "ill-advised and unfortunate, and calculated to subject him to criticism;" and that he assumes that the advertisement in the London journals was not the act of General Schenck, but that of the agents of the company, without consultation with him. The testimony of General Schenck shows that this was not the fact, but that the prospectus was issued and advertised with his full knowledge and consent. The disapproval of the Secretary of State was, therefore, by implication, full and conclusive. Finally, General Schenck is earnestly advised to withdraw his name from the management of the company. This dispatch of the Secretary of State is, therefore, the official disapproval by the Government of the action of its representative in England in connecting himself as a director of a company seeking to sell its shares in England, and left but one course open to General Schenck, either to resign as minister or to resign as director. The formal resignation of General Schenck as a director was sent in on the 6th of December, 1871, but was not made public, nor, so far as the dispatches show, communicated to the Secretary of State until the 12th of January following. This delay in the publication was certainly unfortunate, as it left General Schenck under the imputation of playing into the hands of those who were speculating in the stock and were interested in maintaining its market value. The letter of resignation, as finally sent in, was in the following form:

GENERAL SCHENCK RESIGNS AS DIRECTOR.

[*The Times, Friday, January* 12, 1872—*Extract.*]

LONDON, December 6, 1871.

DEAR SIR—I hereby resign my place as a director of the Emma Silver-Mining Company, and request you to communicate this notice of the fact to the board at their next meeting.

In thus withdrawing from the trust reposed in me, I desire to express to my associates in the management of the company my sincere and high appreciation of each and every one of them as gentlemen of distinguished position and character, with whom it has been to me a pleasure to be connected.

My resignation is upon grounds purely personal to myself. In consenting to become a director, I know that I but exercised a private and individual right, in no way incompatible with public or official duty; but I prefer to take away from some who have criticised me even a pretext for their comments or attacks. I beg, therefore, to record my assurance to you and other members of the board that I continue

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to have the fullest confidence in the value and profitableness of the property they have in charge, in which I still hold all the shares I have been able to take.

I am, very respectfully, your obedient servant,

ROBT. C. SCHENCK.

GEORGE ANDERSON, ESQ., M. P.,
Chairman, &c.

This letter, written in consequence of the official advice of the Secretary of State, and upon the ground that it was not compatible with the official duties of the American minister to remain as a director, asserts that the resignation is upon grounds purely personal to General Schenck, and that in consenting to become a director he knew that he but exercised a "*private and individual right in no way incompatible with public or official duty.*" This statement appears to your committee to be a flat contradiction of the position asserted in the dispatch of the Secretary of State, that such connection was "ill-advised and unfortunate," and that the advertisement, if made with his knowledge and consent, could not be approved. But the letter of resignation goes still further in violation of the fundamental doctrine as to the duty and conduct of diplomatic representatives, upon which the dispatch of the Secretary of State is based, which evidently is, that it is not becoming in an American minister to take any action to promote or further the sale of shares of a company in the country to which he is accredited. This sound principle is clearly violated when General Schenck took occasion in his letter of resignation to express his "sincere and high appreciation of each and every one of" the directors "as gentlemen of distinguished position and character, with whom it has been to me a pleasure to have been connected," and to state further that "I continue to have the fullest confidence in the value and profitableness of the property they have in charge, in which I still hold all the shares I have been able to take." Here is a distinct indorsement of the character of the American directors, who were the vendors of the property, Messrs. Park, Stewart, and Baxter, and the renewed expression of confidence in the value of the mine. The testimony shows that the form of this letter was the subject of discussion between General Schenck and Mr. Park, and that it was modified in accordance with suggestions made by the latter (pages 336, 348, 806, 808, 832).

The natural and straightforward course was for General Schenck to have informed the board, in such language as he might have chosen to adopt, that he had consulted with his Government as to the propriety of remaining in the board, and had been advised to withdraw, and accordingly tendered his resignation. He did, however, just the opposite; he asserted that his resignation was the result of personal consideration; and, in re-indorsing the vendors and the property, he aggravated the offense which had been condemned by the Secretary of State. A copy of this letter of resignation reached the State Department in the month of January, 1872, and, so far as the correspondence submitted to the committee shows, the matter was there dropped.

TWO LETTERS OF RESIGNATION WRITTEN.

With regard to the preparation of this letter of resignation, the testimony is somewhat conflicting. Lyon swears (page 58) that Park told him that General Schenck had written two letters of resignation; that Park showed him the first letter and remarked, "I am going to have a better letter than that from the general;" that a few days afterward he showed him a second and modified letter, which was the one finally sent in to the board of directors. Schenck, in his testimony (page 288), produced the rough draught of his letter of resignation, of which he says, "If you refer to the records of the Emma Mining Company you will find this to be *in hæc verba* the resignation which was presented and acted upon," and adds, "This resignation was not prepared or written until the 6th."

On page 336 he reiterates, "that this is the only letter which I sent to the board;" but on comparison with the actual letter of resignation (page 340), it turned out that General Schenck was mistaken as to the rough draught not having been more extensively modified than appeared upon the face of it. One sentence is almost entirely rewritten, in order to convey the impression that his resignation is not the result of any incompatibility with his public or official duty. So far as Park and Stewart were concerned, this was a most material addition to the letter, in its bearing upon the sale of the reserved shares of the company.

On page 347, General Schenck testifies that he did not think Park had made any draught of this letter of resignation.

At a later date the committee received from London the actual letter of resigna-

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tion sent in by General Schenck in his own handwriting, and a copy thereof in the handwriting of Mr. Park, who had previously testified that to the best of his knowledge and belief he had never made any such copy. General Schenck stated that in this copy there was not a single word in his handwriting (page 807). On having his attention called to the interlineations of two words, he inclines to the opinion that they are in his handwriting. and adds, "therefore I must have seen that copy at some time;" and further adds that "he (Park) may have taken a copy at the very time I wrote it;" and finally concludes, "My attention being directed to those words, I am inclined to think that that copy may have been made by Mr. Park and compared by me, and that where he had got it wrong from my original I may have corrected it." Subsequently (page 845), General Schenck says that he cannot admit that one of these words is in his handwriting.

CONFLICTING TESTIMONY.

Mr Park, on the other hand, swears positively that the interlineations are in his handwriting, but that he cannot recollect where, when, or why he made the copy, which previously he testified that he never had any recollection of having made. On the whole, the committee are of opinion that two letters of resignation were prepared, the one a rough draught written by General Schenck, and the other an amended copy made by him after his conversation with Park, the second having been modified from the first, in accordance with the suggestions of Mr. Park. As this is an important matter, showing the relations of General Schenck to Park at that time, the exact language of Park is herewith inserted (page 833):

General Schenck has shown you a draught which he made, and the letter which he afterward made from that draught. I think I saw one of them; perhaps both of them. I think I saw one of them, because General Schenck states that, as to one of them, when I saw the statement that he proposed to retain his shares, I said, "General, you do not want to commit yourself to that; you may want to sell them. It will be sufficient for you to say which you now hold." I made that suggestion, and from that fact I may have seen the draught, and it is possible I saw the other; but that I dictated a word of it, except that it should be upon the true ground of the reason for his resignation, so that it should not injure the company or cast suspicion upon it, and making the suggestion that he should not bind himself to hold the stock, has no foundation whatever.

ANOTHER THREE HUNDRED SHARES.

Besides the original allotment of five hundred shares which General Schenck received under his contract with Mr. Park, he became entitled to a further allotment of three hundred shares in the month of April, 1872. These shares were subscribed for, carried, and sold without any intervention whatever on the part of General Schenck beyond signing the application, and the usual transfer form in blank, which blank appears to have been filled in with the name of C. M. Fisher, with whom General Schenck is positive, however, he never had any other transactions in relation to the Emma Mine. These shares were sold shortly afterward at a profit of £2,000, which was paid in to General Schenck's credit at Jay Cooke, McCulloch & Co.'s, but by whom General Schenck is not positive.

In his testimony before the commissioner in London, General Schenck testifies (page 27), that Mr. Park did not find the money for these shares, but that he, (General Schenck) carried them, and disposed of them "entirely on his own account, and through his own means and arrangement." In his testimony before the committee (pages 350–352), in answer to a question whether Mr. Park's money purchased those shares, he testifies: "Yes: Mr. Park, I have since understood, carried these shares and arranged the thing during the three days we held them." Lyon testifies (page 60), that he deposited the money required to procure the allotment of these shares, having procured it on Mr. Park's check, and Mr. Park testifies (page 566), that he gave Lyon the check for this purpose, and again, on page 660, that he furnished the money to pay for the stock.

The profit realized from this transaction seems to have been used as the margin with Jay Cook, McCulloch & Co. for a speculative purchase of five hundred shares of stock (page 352), to be carried by them, for the joint account of General Schenck and General Woodhull, his first secretary of legation.

This venture was still on hand in December, 1872, at the time when it became apparent that dividends would no longer be paid. This fact was communicated to General Schenck in a telegram, bearing Park's signature (page 697), and sent from New York to Schenck, reaching him at Paris. This telegram advised General

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Schenck to sell 2,000 shares (page 743). Fisher, who was in Paris at that time, obtained this information from General Schenck, and informed his broker in London that General Schenck had directed Colonel Chesebrough, his second secretary of legation, whom he had sent to London to look after this business, to sell 2,000 shares short. General Schenck (page 823), in answer to a question, whether he did or did not send instructions to Mr. Chesebrough to sell 2,000 shares of stock, replied:

I am very strongly impressed with a belief that I did no such thing. I have no recollection of ever doing anything of the kind. I think he would have tried to do it for me and have done it for me if I asked to, but nothing of the sort was done.

On page 842 he says:

But I am, as I said, perfectly satisfied from my recollection (and the more I think of the matter the more I am satisfied) that I never directed Chesebrough to sell the two thousand shares, and at any rate that no two thousand shares ever were sold for me.

Thereupon the chairman addressed a telegraphic inquiry to Mr. Chesebrough, to which the following reply has been received since the printing of the evidence, and is therefore here inserted in full:

TELEGRAM FROM THE CHAIRMAN TO MR. CHESEBROUGH.

LEGATION OF THE UNITED STATES,
LONDON, May 8, 1876.

SIR—I have the honor to acknowledge the receipt of your telegram of yesterday (Sunday):

"Did General Schenck ever direct you to sell two thousand shares Emma stock? Telegraph briefly, and write fully."

To which I have replied this morning, as follows:

"Have written fully to-day's mail, as requested." It would be impossible for me "briefly," in a telegram, to answer the inquiry satisfactorily.

The facts in the case are, that on the 14th December, 1872, I was in Paris, when General Schenck arrived there with his three daughters. The evening of the same day he received information that the price of Emma stock had declined rapidly and largely, and he came to me in much anxiety, saying that he would have to go over to London immediately unless I would go for him. I consented to do so. He requested me, on my arrival in London, to see one or two of the directors of the company, to ascertain their views as to the condition of the stock, etc., and then to instruct Jay Cooke, McCulloch & Co. about selling out some shares they were carrying for him. On the 17th December I received the following telegram from General Schenck:

"Keep my 475 investment; sell at discretion 2,000 Park account, 500 Woodhull."

I did not act upon this telegram further than conveying Schenck's instructions to Jay Cooke, McCulloch & Co., to make sales of the shares in their hands. They sold the 500 shares held for Woodhull and Schenck, Schenck keeping his original 475 shares. After General Schenck's return to London I carried instructions from him to McCulloch & Co. to sell 200 shares.

This comprises all that I have had to do in the buying or selling of Emma stock for General Schenck, and I have had no interest whatever, directly or indirectly, in these transactions, or in any other transactions which may have been made for him.

I am, sir, very respectfully, your obedient servant,

WM. H. CHESEBROUGH.

Hon. THOMAS SWANN,
Chairman of the Committee on Foreign Relations,
House of Representatives, etc.

A copy of this letter was telegraphed to General Schenck, of which he also received a copy from Mr. Chesebrough. To this letter General Schenck has sent the following reply, which it is deemed best to insert in full:

GENERAL SCHENCK'S REPLY.

DAYTON, OHIO, May 23, 1876.

SIR—Referring to my telegrams sent last evening, one to you and one to Mr. Faulkner, I now proceed to send a statement in answer to Colonel Chesebrough's letter, without waiting for reply from either you or Mr. Faulkner. I will endeavor to make this statement full and clear, although it has to be dictated under most

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unfavorable circumstances to an amanuensis beside the bed to which I am confined.

I would wait to hear from the committee, and in the hope of being well enough to travel to Washington by the end of this week to appear before them in person; but I have this morning learned that it is reported by telegraph that the House of Representatives has ordered your committee to make their report on the investigation of the Emma Mine matter on Thursday.

Fortunately for me, I am enabled now to refer to what has been written by Colonel Chesebrough, having just received a copy of his letter, sent to me at Washington and forwarded from there.

I regret that Colonel Chesebrough could not be present before the committee to testify regularly, and to make a much fuller statement than he has written, and to be subjected. if necessary, to cross-examination. I have heretofore explained to the committee the circumstances of my arrival at Paris, in December, 1872, with my family, from Italy, and of the unexpected and astounding news which met me there from London, in regard to the probable stoppage of dividends on the Emma mining stock, and the sudden and disastrous depreciation of its value which was ensuing. I have also referred to the anxiety I had to save myself, if possible, from the great loss that General Woodhull and I were likely to sustain on the five hundred (500) shares we had in his name which were held for us by Jay Cook, McCulloch & Co. I had no thought even then of parting with the four hundred and seventy-five (475) shares of my original subscription, still believing the property valuable, and that the suspension of dividends would be but temporary. I would not, however, afford the hazard of loss on that (500) shares which we had purchased on a deposit and credit with the bankers, and had been carrying since the May preceding. The telegram sent by Mr. Gager, in Mr. Park's name, from New York had gone to London, and had been forwarded to me by mail, while in the meantime the unpromising condition of the company appeared to be generally known by all parties interested, who had also been receiving information, and the stock was rapidly falling.

I have explained from the beginning to the committee the character of the telegram I received. It was signed "Park," and gave me information of the apprehended condition of the company's affairs, and suggested, by way of covering my probable loss, a sale of two thousand (2,000) shares, as I remember on joint account. From the first I determined that so far as I was concerned I could not take the possible risk of any such sale, however much I desired to save myself from impending loss. I do not consider that it would have been wrong in itself to have thus covered, if I could, the loss I sustained, and I have before this stated to the committee, in reply, I think, to a question put by Mr. Barnum, that I was inclined to regret I had not done so.

When Colonel Chesebrough, whom I met, as he has stated, at Paris, agreed to go for me at once to London, it was particularly with a view; after consultation with others, to do whatever seemed best to guard the interests of General Woodhull, who was his cousin, and myself. He was fully empowered to act, and was aware of all my views in the matter. During the few days of anxiety which followed, there passed back and forth between him and me a number of notes and telegrams, which I regret have not been preserved, and of which, after an interval of nearly four years and a half, I cannot give any particular account. As I did not sell two thousand shares of the stock, as suggested to me to do, nor any other shares, except those which were held in Woodhull's name for him and myself by Jay Cooke, McCulloch & Co., I have believed, while looking back at the matter, that I did not telegraph to Chesebrough at any time in regard to the two thousand shares, and I have so stated as my distinct impression. The telegram, of which he gives now what purports to be a copy, I do not remember, but I dare say it is correct. It confirms what I have stated in regard to retaining my four hundred and seventy-five original shares as an investment and the sale of the five hundred shares in Woodhull's name. It would seem also that I authorized him to make a sale if, in his discretion, he thought proper, not in any way on my account, but for Park. I had no sham account with Park.

I will now add what has up to this time, since this inquiry has been proceeding, confirmed me in my belief that I had not telegraphed Chesebrough in any form whatever on the subject of the two thousand shares.

When Chesebrough returned from a visit to the United States last winter, he volunteered to tell me of a conversation he had had with somebody connected with the New York Tribune—Whitelaw Reed, I think, he said—in which he was asked if

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he had received such a telegram from me from Paris, and he informed me that he had replied that he had no recollection of anything of the sort. I said to him that I did not remember having telegraphed to him any such instruction, and he told me that neither did he remember that I had.

Again, when I was about to leave London to present myself before your committee, and was desirous, with a view to refreshing my recollection of matters relating to the Emma Mine, and for reference, to find and collect any papers or memoranda on the subject that might have been preserved, I asked Chesebrough if he had any document or memorandum in his possession. He said, "No, I have not a paper or a scrap on the subject remaining in my hands."

Of course, as his statement is so brief, I cannot tell whether he was mistaken then or whether he has had recourse to the files of the telegraph company, or how it is, that he has been able now to produce or recollect the telegram in question.

Of what is mentioned by Colonel Chesebrough in the last paragraph of his letter, in regard to carrying instruction from me to McCulloch & Co., to sell two hundred shares, I have no remembrance whatever. It was probably in connection with the sale of the five hundred shares which they held.

It is true, as Colonel Chesebrough states, that he never had any interest in any transaction of mine in connection with the Emma Mining Company or its shares; and I believe the committee are in full possession, certainly so far as I can recall the facts, of everything relating thereto with which I have been concerned.

I have the honor to be, very respectfully, yours,

ROBERT C. SCHENCK.

Hon. THOMAS SWANN,
Chairman Committee on Foreign Affairs,
House of Representatives, Washington, D. C.

It will thus be seen that the speculative venture of five hundred shares held for Woodhull and Schenck was closed out, and if two thousand shares of stock were not sold in addition, it was not for lack of orders or of willingness on the part of General Schenck, but because Chesebrough or Jay Cooke, McCulloch & Co. would not take the responsibility. It will also be observed that subsequently, after General Schenck's return to London, he gave instructions to sell two hundred shares, but whether this was a short sale or not does not appear. The conclusion, then, of the whole matter is, that General Schenck, besides having been a director of the Emma Mining Company, was engaged in speculative operations in the stock with Trenor W. Park, the vendor of the mine (page 660), with General Woodhull, his secretary of legation, and upon his own account to the extent hereinbefore stated, in such manner as to subject the name and station of the minister of the United States to criticism.

FINDINGS OF THE COMMITTEE.

The committee therefore find, as to the inquiries announced at the beginning of the report:

First—Upon the authority of the dispatch of the Secretary of State, that it was not proper for the American minister at the court of St. James to connect himself as a director with the Emma Mining Company of London. This position is confirmed by the authority of Phillimore (vol. 2, page 194), who says:

"In truth, every State ought, by expressly forbidding their ambassadors to combine engagements in private trade or commerce with the sacred duty of representation, to prevent any question of the kind ever arising. The Roman law on this point deserves to be imitated, 'Enim qui legatione fungitur, neque alienis neque propriis negotiis se interponere debeat.'"

Second. That the relations of General Schenck to the vendors of the Emma Mine were of such a character as to cast suspicion upon his motives, and subject his action to unfavorable criticism. But the committee believe he was not guilty of a fraud or of any fraudulent intention in his connection with the company or the vendors of the mine.

Third. That his subsequent speculative dealings in the shares of the company were not compatible with his diplomatic station, and the maintenance of a position of honor and usefulness at the court near which he was accredited.

The committee therefore submit the following resolution, and unanimously recommend its passage by the House:

RESOLVED, *That this House condemns the action of General* ROBERT C. SCHENCK, *United States Minister at the Court of St. James, in becoming a director of the Emma Silver Mining Company of London, and his operations in connection with the shares*

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of the said company and the vendors thereof, as ill-advised, unfortunate, and incompatible with the duties of his official position.

In the course of Mr. HEWITT'S speech, on the occasion of presenting the foregoing report, he said:

HON. ABRAM S. HEWITT'S SPEECH IN CONGRESS ON THE EMMA MINE FRAUD.

The materials furnished by the evidence submitted serve to show how an embassador of the United States so far forgot his high station that he not only consented to become a director in a company proposing to sell its shares in the country to which he was accredited, but allowed his name and the official title of "American minisiter" to go forth in the prospectus as the voucher of its "exceptional character;" how, by subscribing publicly, according to his own statement, for £10,000 of the stock, apparently upon the same terms as the other subscribers, but in reality upon a private arrangement, previously made with the vendors, in which he put no money at risk, and was absolutely guaranteed against loss. the envoy of the great Republic placed himself in the unconscious attitude of a "puffer" at an auction sale; how he speculated in the stock of a corporation which he had thus helped to create and direct; how he seemed to be incapable of drawing the distinction between investment and speculation; how he associated one of his secretaries of legation in these speculative operations, and availed of the services of the other to watch the fluctuations of the stock market, and practically act as his broker for the sale of shares; how he records his opinion that it is a proper thing, not merely for an ordinary man, but for an American minister, "to sell stock short," that is, to sell what he does not own, and expresses his regret that he did not do so, and indemnify himself against loss by transferring it to some one else, not in possession of the information which he had received through private sources; how he so confuses his accounts of profit and loss that he cannot separate the profits which he actually did or might have realized out of his original transaction with Mr Park, with the losses which he made in speculations in the stock having no relation to this transaction with Park; how he accepts credit upon the note which he had given to Park, the nature and origin of which he had no knowledge whatever, except that they arose out of transactions wherein he was at no risk; how he declines further credits of the same character, because he thinks that the limit of favors has been reached; how he arrived at this conclusion only after the public press had been filled with hostile criticism; how his memory as to the mode of payment for the second allotment of shares, leads him in London to swear that Park did not provide the means for the payment thereof, and how before the committee, when it had been clearly shown that Park did provide these means, he retracts the statement he made in London; how in the final settlement with Park, he transfers to him, in payment of his indebtedness, stocks upon which he continues to draw the dividends; how, on leaving London, he is forced to plead his diplomatic privilege as his defense against the service of a writ in a civil action growing out of his unfortunate connection with this disastrous undertaking; and how, finally, he reiterates his inability to comprehend the false and unfortunate position in which he is placed before the public, by a series of ill-advised transactions, in which it is charitable to regard his memory as at fault, and to look upon him as the victim of designing and unscrupulous men leading and persuading him to an equal ruin of reputation and purse. * * * * *

"Shake not thy gory locks at me;
Thou can'st not say I did it."

This and much more of the same unsavory sort can be learned from a perusal of the evidence herewith submitted; but these are matters which only concern the American people, because they serve to show the injurious consequences to the fair fame of the United States, arising out of the failure of the Government to deal promptly and firmly with its minister, when, by his becoming a director and by his letter of resignation, he made the grave and irreparable mistake of indorsing and re-indorsing the enterprise and the men who have caused this great disaster and this greater reproach.

THE POKER-PLAYER REBUKED.

What the Government failed to do the American people demand of their representatives, the stern condemnation of this departure from the traditions of the fathers and the accepted usages of diplomatic life, especially because, to its credit be it said, it is the first symptom in the Foreign Department of the Government of that general demoralization which seems to have crept into every other branch of the public service.

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The republic can now only be saved by the exercise of stern, relentless, uncompromising virtue, refusing to surrender any question of principle, and swiftly and surely destroying in their very birth the germs of corruption, which, if allowed to live, will surely sap the foundations of free government, our great inheritance, and the chief hope of our posterity.

The people are therefore in no temper to allow sympathy with any man, however eminent his services and long his tenure of public office, and however much he may be entitled, by reason of his advanced years or his impaired fortune, to the tender consideration of this House, to interfere with the vindication of the name, honor, and majesty of the American people, from the criticism of the civilized world, arising out of the errors of judgment of its public servants or of the administration. The time has come when the public sentiment demands more than economy, more than honesty; it demands purity and self-denial from its officials. The old generation of public men is passing away with the first century of the republic. Few men are left alive who can date back to the time when this government was founded by the virtue and the sacrifice of the patriots who achieved our independence; but the sentiment of honor and the spirit of self-denial which led them to stake "their lives, their fortunes, and their sacred honor" for the establishment of a government in which principle and purity should be the conditions of its existence, still survive, and it is a mistake to suppose that because they have grown rich and powerful, the people of this country have become enervated, shameless, or corrupt.

THE PEOPLE DEMAND REFORM.

The spirit abroad is the spirit of reformation. The people are determined to bring back that better era of the republic in which, when men consecrated themselves to the public service, they utterly abnegated all selfish purposes; when public officers rejected gifts as dishonoring alike to the giver and the taker; when Presidents and great officers of state as a rule retired to honorable poverty; when Franklin with his modest income and his uncourtly costume, even though he had a thrifty mind, rejecting all thought of gain while employed in the public service, was held in more honor than the proudest embassador of the proudest empire; when John Quincy Adams sold his bank shares before he would take his seat in Congress, lest his vote might be called in question; when members of Congress knew not the mysteries of Credit Mobilier; when members of the Cabinet were selected because they were statesmen, "honest, capable, faithful," and not because of their skill in managing party politics; when to be summoned into the public service was a priceless honor and not an opportunity for private gain; when a civil service system practically existed in the Government, because it had not yet been formulated into the perfunctory platforms of party; when a change of administration did not inaugurate a disgraceful scramble for place, and the fatal doctrine "to the victors belong the spoils" had not yet been invented; when the idea of a trust was the subordination of the trustee and all his personal interests to the rightful claims of those for whom he acted; when lawyers were not accustomed to speculate upon the rights of their clients; when vendors were not suffered to profit by false representations; when the honor and fame of the nation were dearer and greater than the reputation or the fortune of any citizen; when degenerate men who were willing to barter away the national honor in foreign lands in exchange for private gains, however great, would have been gibbeted for the general execration.

It is for this reason that the present investigation is of the gravest importance, and it indicates a more healthy state of public opinion, and it should be a matter of general congratulation that the committee have been able by the exercise of mutual forbearance and patience to come to a unanimous conclusion. No public money has been misappropriated; but the national honor, which is above all money, has been tarnished, thoughtlessly, if you will, but if so, by the mistake and unconscious ignorance of a great public officer, who has not yet, after the lapse of four years, been properly rebuked by his own government.

There are positions and circumstances in which ignorance is as mischievous as crime; and I feel constrained and grieved to say that the connection of the American minister at the Court of St. James with the Emma Mine belongs to that category. We may pity, we may sympathize, but we must condemn, in order that the condemnation which belongs to him and the administration should no longer rest upon the consciences and the name of the American people, and that it shall forever be impossible for this humiliating offense to be repeated by an embassador of the United States, or fail to be punished by his government.

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BLACK FRIDAY.

HOW JAY GOULD MANAGED PRESIDENT GRANT—A *$25,000* CHECK SENT TO THE "WHITE HOUSE."

THE FINANCIAL SYSTEM AN EVIL ONE.

The financial system of the Government at the close of the war necessarily became a complicated one. We had an irredeemable and constantly fluctuating currency with which the great bulk of the business of the country was conducted. At the same time, the entire customs revenue of the Government was paid in gold. These receipts exceeded, by many millions, the interest on the public debt, which, together with the cost of our diplomatic service abroad, and the maintainance of that portion of our navy stationed in foreign waters, were the only disbursements made in coin. There was consequently a coin balance continually accumulating in the treasury. This from time to time was expended in the purchase of bonds. Of course this gave the Secretary of the Treasury vastly greater power than was ever possessed by any of his predecessors. After the floating indebtedness of the government growing out of the war had been paid off or funded into a permanent debt, the coin balances in the treasury were expended quarterly and sometimes monthly, at the rate of several millions of dollars, in the purchase of bonds. The method of doing this was to sell gold either in open market or at private sale and with the proceeds buy up the bonds. The bulk of this business of course had to be done in New York City, the great monetary centre of the country, and thus the Secretary of the Treasury had it in his power to regulate the standard of values upon which the entire business of the country was conducted. He could send gold up or put it down at his will, and, as the movements of a watch are controlled by the regulator, the discretion of the Secretary of the Treasury regulated the entire industrial interests of the United States. In every country cursed with a fluctuating currency,

SPECULATION INEVITABLY RUNS RIOT.

Shrewd, bold speculators are often able by their combinations to unsettle values, and by taking advantage of the necessities of certain classes engaged in business are enabled in a day to amass great fortunes. This was peculiarly the case in this country from 1865 down to 1874. The entire import business of the country had to be done upon a gold basis, and the first cost of all our imports, as well as the duties on the same, had to be paid in gold, and hence the price of gold became a question of the utmost importance. The bulk of the import business of the country is transacted at certain stated periods, and thus almost of necessity a class of business men who are, under ordinary circumstances, averse to speculation, were tempted to embark upon this dangerous sea. Some of the far-sighted and shrewder by purchasing gold or foreign exchange in advance of the time at which they would need it to meet their invoices or pay the duty on the same, would be able to save a handsome percentage on the cost

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of their goods. Sometimes they would be mistaken in their calculations, and gold, instead of advancing, would fall, and the cost of their importations would be increased. In this way a large class of commercial men who were usually averse to speculative enterprises were drawn into the vortex of Wall street, and became to a certain extent either "bulls or bears" of the gold market.

SECRETARY M'CULLOCH'S POLICY.

Secretary McCulloch, in his report of December, 1868, speaking of this anomalous financial situation and the power of the Secretary of the Treasury to regulate values, uses the following language:

"Notwithstanding the magnitude and character of the debt, this power the Secretary of the Treasury has for the last three years possessed; and it has been the well-known existence, rather than the exercise, of it which has in repeated instances saved the country from panic and disaster. The gold reserve, the maintenance of which has subjected the Secretary to constant and bitter criticism, has given a confidence to holders of our securities, at home and abroad, by the constant evidence which it exhibited of the ability of the Government, without depending upon purchases in the market to pay the interest upon the public debt, and a steadiness to trade by preventing violent fluctuations in the convertible value of the currency, which have been a more than ample compensation to the country for any loss of interest that may have been sustained thereby. If the gold in the Treasury had been sold down to what was absolutely needed for the payment of the interest on the public debt, not only would the public credit have been endangered, but the currency; and consequently the entire business of the country would have been constantly subject to the dangerous power of speculative combinations."

Thus it will be seen that Mr. McCulloch regarded his power to sell gold as indispensable to prevent the combinations of speculators, which might at times vastly increase the fluctuations of our irredeemable currency. He sold gold to raise the price of currency when, in his judgment, it was for the interests of the country to prevent its depreciation and the consequent increase in values. He had a policy, however, in regard to the sale of gold, which it is important to set out here in his own language, because that of his successor was radically different. He says:

PUBLIC SALES OF GOLD CONDUCIVE TO JOBBERY.

"Similar complaint has also been made of the manner in which gold and bonds have been disposed of, by what has been styled 'secret sales,' and yet precisely the same course has been pursued in these sales that careful and prudent men pursue who sell on their own account. The sales have been made when they were needed and prices were satisfactory. *It was not considered wise or prudent to advise the dealers precisely when and to what amount sales were to be made* (no sane man operating on his own account would have done this,) but all sales of gold have been made in the open market, and of bonds by agents or the Assistant Treasurer in New York in the ordinary way, with a view of obtaining the very best prices and with the least possible disturbance of business."

BOUTWELL'S POLICY IN THE INTEREST OF JOBBERS.

The policy of Secretary Boutwell, who succeeded Mr. McCulloch, was the reverse of that of his predecessor. He advertized his sales of gold, thus notifying in advance the speculators not only of the time at which the sales would be made but also the amount to be sold. In the Treasury routine the knowledge of these important transactions necessarily became known to many persons, and of course there was always danger of some one of them "leaking." Frequently, indeed almost invariably, the directions from the Secretary to the Assistant Treasurer at New York, in regard to the sale of gold and the purchase of bonds, were transmitted by telegraph, and thus the opportunities for "leaking" were increased. An hour's notice in advance of the intention of the Secretary of the Treasury to sell gold would enable a Wall Street speculator to make a fortune. If by any possibility a combination of these speculators could bring sufficient influence to bear to control the President of the United States and through him prevent the Secretary of the Treasury from selling gold, it would be in their power to control absolutely the gold market.

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THE ORIGIN OF THE GOLD PANIC OF SEPT. 1869.

This is precisely what one of the shrewdest speculators who has appeared in Wall street for many years succeeded to a certain extent in doing at the outset of President Grant's first administration. The gold panic of September 1869 and that memorable day on which it culminated—Black Friday—was the result of a combination effected by Jay Gould with a few of the intimate friends and relatives of the President, by whom he was induced to conform the financial policy of the Government to the notions of one of the most unscrupulous speculators that ever lived. A brief history of this disgraceful episode in the history of our country is necessary, in order to give the people a complete understanding of the shame as well as the misery which has been entailed upon the country during the last eight years of Republican rule. The Black Friday transaction stands first in the long catalogue of crimes, frauds, and usurpations which the future historian of the Republic will have to chronicle when he comes to treat of Grant's administration. The gold panic of 1869 not only brought immediate disaster in its train, but produced upon business universal distrust of the future, and, as a consequence, almost an entire paralysis of trade. An able writer, in speaking of it, says:

THE EFFECT OF THE PANIC.

"This was the immediate effect of this panic upon the foreign trade in which gold interests are involved, and which depends upon prospective obligations in gold. It is impossible to estimate these afflictive effects on foreign commerce. Merchants in the foreign trade often meet their obligations by borrowing gold, believing that they can buy at a lower rate in the future. Before this September panic there was an immense amount of gold borrowed. Hence the chief sufferers were the import merchants. Bankers and brokers were similarly, though not equally, affected, but the worse effects were too general and indefinite for analysis. These reached over the whole country, and over the entire world of commerce. It made men think that we were a nation of gamblers; that it was not safe to deal with a people under whose policy and Government it was possible for such combinations to be made. All our securities suffered more or less at home and abroad. But for the peculiar prudence of our merchants, who had been warned in the preceding months, the shock and disaster would have been incalculably greater. At the time when our importations required the use of a million of gold per day, and when our customs dues required the half of that sum, it may be readily inferred how such fluctuations affected all our domestic trade. In this connection it is well to remember that the jobber buys of the importer, who pays in gold; that the jobber sells for currency, and his purchaser, as well as himself, is guided by the value of gold at the time, and that profits may be lost if gold rises between the time of selling and the time of payment. It will also be remembered that the tariff duties are payable in gold, and the price of the articles imported depends on the price of gold."

THE CONGRESSIONAL INVESTIGATION.

The scandal caused by the connection of the Administration with the gold panic was so great, and the indignation of the country thereat so intense, that the Republican House of Representatives. at the 2d session of the 41st Congress, was compelled to investigate it. This was the first great opportunity of the Parliamentary leaders of the Republican party. They had the indubitable proof, establishing beyond cavil that members of both the President's private and official household had participated with the gold gamblers of New York in the shameful transaction. Had they then resolutely placed their seal of condemnation upon this disgraceful affair, and spoken boldly and truthfully the facts as they were developed, the bad men who surrounded the President would have been driven in disgrace from his presence, and possibly he might have profited from the rebuke thus sharply administered by the people's representatives. But instead of doing this, and thereby placing the party in a position where it could safely have divorced itself from the "man on horseback" who had proved utterly insensible to shame, the Committee on Banking and Currency, charged with this transaction, made a whitewashing report, which was adopted by the House, and thus the Republican party became a mere tail-piece to Grant's kite. It not only vindicated Grant in this report, but endorsed the financial policy of the Secretary of the Treasury, which

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MADE THE GOLD PANIC POSSIBLE.

The report of the committee was written by Mr. Garfield, the leader of the Republican side of the present House of Representatives. It is from beginning to end an adroit and ingenious special plea, but the facts are so distorted on the one hand and suppressed on the other, that its inconsistencies are apparent to the most superficial reader. The only truthful paragraph in it is the following, in which the history of the price of gold for eleven months is summarized :

"On the 1st of September, 1868, the price of gold was 1.45. During the Autumn and Winter it continued to decline, interrupted only by occasional fluctuations, till, March, 1869, it toutched 130¼ (its lowest point for three years) and continued near that rate until the middle of April, the earliest period to which the evidence taken by the committee refers. At that time Mr. Jay Gould, President of the Erie Railroad Company, bought seven millions of gold and put up the price from 132 to 140. Other brokers followed his example, and by the 20th of May had put up the price to 144⅞, from which, in spite of speculation, it continued to decline, and on the last day of July stood at 136."

CORBIN, GOULD, PORTER, AND BABCOCK.

Sometime previous to this last mentioned date, Jay Gould had effected a combination with Abel R. Corbin, brother-in-law of the President, and, as has recently been developed, with Generals Horace Porter and O. E. Babcock and Daniel Butterfield, whereby this unscrupulous speculator had constant and ready access to the President, and undoubtedly succeeded in controlling him.

The first step in paving the way for this combination was to have some one appointed Assistant Treasurer at New York, in place of Mr. H. H. Vandyck, who resigned in the month of June. Robert B. Catherwood who had married the step-daughter of Corbin, testified in regard to this appointment as follows.

TESTIMONY OF CORBIN'S SON-IN-LAW.

Q. Had you anything to do with the appointment of General Butterfield to the post of Assistant Treasurer at New York? A. I had nothing to do with his appointment.

Q. Did you attempt to bring any influence to bear ? A. I suggested to a friend of mine that it was the request of Mr. Corbin that General Butterfield should receive the appointment. I never had any conversation on the subject with General Butterfield.

Q. Who was that friend of yours ? A. Mr. Jay Gould. I merely suggested that it was Mr. Corbin's wish that General Butterfield should be appointed.

Q. Mr. Corbin was the first that suggested to you Mr. Butterfield's name ? A. Yes, in a mere casual conversation that I had with Mr. Gould. I said that I had had a conversation with Mr. Corbin in reference to the matter, and that Mr. Corbin thought that General Butterfield was the most competent man after myself. I had been talked of at the time in reference to the position. I consulted with Mr. Corbin in reference to it and declined to go any further in the matter.

* * * * * * * * * *

Q. Was anything said by any of those parties about General Butterfield using his official position for the purpose of helping gold speculations, either before the appointment or afterwards ? A. Mr. Corbin, Gould and myself, had a conversation one day. It amounted to this : that men could operate with safety when they were acting on a certainty—that is, when they knew what they were doing. There was no understanding. It was a mere casual observation.

Q. Do you know whether Mr. Corbin wrote any letters in aid of General Butterfield's appointment? A. I do not.

BUTTERFIELD THANKED CORWIN.

Q. Did you hear that either from Butterfield, Corbin, or Gould? A. Mr. Corbin told me himself that he had written to General Butterfield, and he read me a letter in reply from General Butterfield, in which General Butterfield thanked him very kindly, and hoped Mr. Corbin would exercise his influence as he had previously done ; that he was under many obligations to him, and that he hoped he would be successful. That was about the tenor of the letter as Mr. Corbin read it to me.

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Q. Was a proposition ever made to you to take this office with a view to assist a speculation; and did you ever decline peremptorily because you could not assist in any such object? A. Not so emphatically as that.

Q. Put it in your own language. A. After I was solicited to accept this office, and had the matter under debate, I went the next day to that and had a conversation with Mr. Gould and Mr. Corbin, and I found that the remark was simply this: that the parties could operate in a legitimate way and make a great deal of money, and that all could be benefited by it in a legitimate manner—nothing underhand or illegitimate. The phrase used was "illegitimate manner." I satisfied myself that I could not fill the bill.

Q. What did this illegitimate manner consist of? A. I felt in this way: I could not say that it was that, because I was not asked squarely to do anything; but I took it for granted it meant that; I did not look at it in the same light they did, and I just declined.

Q. State more distinctly what was this legitimate thing? A. I understood that it was buying gold and stocks and bonds on a certainty on the movements of the Government in selling or not selling gold.

Q. If you can give the exact language of Gould and Corbin to that very point, please do so, and fix the date if you can. A. It was along in the latter part of May or June, I think. I have got a letter in my pocket from Mr. Corbin which will give me nearly the date.

[Witness refers to a note in his possession from Corbin to himself, dated June 4th, 1869, in which the following passage occurs:]

"Will see Mr. Gould about Jersey City Railroad. Have not yet seen General Butterfield."

Jersey City Railroad, witness explained, is a cipher. It means the Sub-Treasury.

JAY GOULD TELLS HOW HE MANIPULATED GRANT.

Jay Gould gave his reasons for going into the gold speculation as follows:

"I supposed it was the policy of the Administration to let gold work up until after the Fall crops were moved; and I had good reason to suppose that was to be so or I should never have gone into this movement."

He then proceeds, in answer to a question propounded by the chairman of the committee, to give the reason for his belief. He stated that previous to June, Mr. Corbin, the brother-in-law of the President, came to see him and wanted to be taken into some enterprise by which he could make money. Gould suggested the feasibility of advancing the price of gold, which was then somewhere in the thirties, to the forties, or fifties, provided the Government could be got to assist them. He explained his theory to Corbin, which was, that the country had been over-trading with Europe, by something like a hundred million dollars, and that the way to pay this debt was to facilitate the exportation of grain, which could only be done by advancing the price of gold. If this was done, he said, "the price of gold would go up while the movement was going on, and afterward drop down again," so that "we could make money both ways, by buying it then and selling it on the rise."

According to the testimony of both Gould and Corbin, they had frequent conferences on this subject, and they agree in the statement that Mr. Corbin readily comprehended Mr. Gould's plan and undertook to bring the President to entertain views similar to theirs on this subject. Gould, in speaking of Mr. Corbin, says:

"He was a very shrewd old gentleman. He saw at a glance the whole case and said that he thought it was the true platform to stand on; that whatever the Government could do legitimately and fairly to facilitate the exportation of bread stuffs and produce good prices for the products of the West they ought to do; he was anxious that I should see the President and communicate to him my views on the subject."

GOULD, FISH AND GRANT DISCUSS THE FINANCES.

An interview between Gould and the President was brought about, according to Corbin's testimony, on the 15th of June, the time at which the latter attended the Peace Jubilee at Boston. Gould and Fisk took the President and his party on one of their Fall River boats and provided a fine supper, and while they were at the table, introduced, as a topic of general conversation, "the state of the coun-

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try, crops, prospects ahead, &c." Gould, in his account of the conversation, says:

"The President was a listener. The other gentlemen were discussing. Some were in favor of Boutwell's selling gold and some were opposed to it. After they had all interchanged their views, some one asked the President what his views were. He remarked that he thought there was a certain amount of fictitiousness about the prosperity of the country and that the bubble might as well be tapped in one way as another. That was the substance of his remark. He then asked me what I thought about it. I remarked that I thought if that policy was carried out, it would produce great distress, and almost lead to civil war; it would produce strikes among the workmen, and the workshops to a great extent would have to be closed; the manufactories would have to stop. I took the ground that the Government ought to let gold alone and let it find its commercial level; that, as a matter of fact, it ought to facilitate an upward movement of gold in the Fall. The Fall and Winter is the only time which we have any interest in. That was all that occurred at that time. We supposed from that conversation that the President was a contractionist."

On his return from Boston the President had another interview with Gould at Corbin's house, when Gould arranged to send the President and his family, by a special train, over the Erie Road, to Corry, Pennsylvania, and to return by the Philadelphia and Erie Road. At this time Gould says he had about a half an hour's conversation with the President, and that he remembered that he said to Corbin "that Boutwell had given an order to sell [gold], and that he, being at Washington, saw it or heard of it, and countermanded the order."

It is evident from the testimony of Corbin that he and Gould had become satisfied that

THE PRESIDENT HAD BEEN WON OVER,

for, on the 24th of July, Corbin purchased, through Gould's bankers, $250,000 United States bonds, and deposited them in the Bank of America. After the visit to Corry, Pennsylvania, the President returned, early in August, to New York, and after a visit to Governor Fish's country house, he spent a few days at Corbin's, in New York City. After that he returned to Washington City, where he spent three days, and then came back to New York, and on the 19th of August went to Newport, where Jim Fisk, Jr., paid him a visit. Fisk's account of this is as follows:

"I think this was some time in August that General Grant started to go to Newport. I then went down to see him. I had seen him before, but not feeling as thoroughly acquainted as I desired for this purpose, I took a letter of introduction from Mr. Gould, in which it was written that there were three hundred sail of vessels then on the Mediterranean, from the Black Sea, with grain to supply the Liverpool market. Gold was then about thirty-four. If it continued at that price we had very little chance of carrying forward the crop during the Fall. I know that we felt nervous about it. I talked with General Grant on the subject, and endeavored, as far as I could, to convince him that his policy was one that would only bring destruction on us all. He then asked me when we should have an interview, and we agreed upon the time. He said: 'During that time I will see Mr. Boutwell, or have him there.'"

"On the 2d of September the President went to Saratoga, and on the 6th to Washington, to attend the funeral of General Rawlings. On the 10th of September he returned to New York.

GOULD BUYS GOLD FOR CORBIN.

On the 2d of September, Gould purchased, through Smith, Gould, Martin & Co., bankers, No. 11 Broad street, New York, for Corbin, $1,500,000 in gold, at an average price of 132½. In regard to this purchase Gould testifies that it was after his first interview with the President, and before the second.

"The interview on the way to Boston was a wet blanket; the other interview was more satisfactory. I did not buy any gold for Mr. Corbin until I was assured from the President that the Government would not do anything to put down the price of gold."

Subsequent to this second interview with the President, Gould says he learned that Secretary Boutwell was to be in New York, and that certain parties who were short of gold were to give him a dinner, and that he felt very "solicitous as to what the effect might be on the Secretary." To counteract the influence of the

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"bears" on Boutwell, Gould went to see Corbin to bring a counter influence to bear through the President. Of this interview Gould says:

GRANT ORDERS BOUTWELL NOT TO SELL.

"I went to see Mr. Corbin about it; he said he did not think it possible, the President had so thoroughly made up his mind, or had so thoroughly marked out his policy, that nothing could change him; he knew the man so well; he knew that when he had arrived at his conclusions, after a great deal of deliberation and examination, he would not change them. I suggested to him that the Secretary might sell without consulting him. He said in reply to that that the President had written a letter before departing on his trip, and left it with him, and that he had left it with General Butterfield to deliver to the Secretary immediately on his arrival in New York, giving the President's views. But that did not satisfy me. I asked him if he knew what was in the letter. He said he did not; but he said he was very certain as to what was in it, because the President stopped in the middle of a conversation, in which he had expressed his views, and wrote the letter. That was Mr. Corbin's answer to me, and Butterfield afterwards stated to me that he delivered the letter."

Prior to this, Corbin had written an article setting forth, in an authoritative manner, what the financial policy of the Administration would be. This article, Gould, through Mr. McHenry, one of the English capitalists concerned in the Erie Railroad, procured to be published in the New York *Times*, on the 25th of August. In regard to the sale of gold the following language was used:

"So far as the current movements of the Treasury are concerned, until the crops are moved it is not likely Treasury gold will be sold for currency to be locked up. The entire surplus of currency in the Treasury, on the contrary, will be employed in the purchase of bonds, as heretofore, that money may be abundant and cheap at the time crops are to be paid for and moved by transporters to market."

THE PRESIDENT VISITS RELATIONS LIVING IN AN OBSCURE VILLAGE.

On the 13th of September, the President and his family, accompanied by Horace Porter, went to Washington, Pennsylvania, to visit Mr. Smith, a distant relative. He had been invited to participate in the ceremonies attending the unveiling of the Lincoln statue in Fairmount Park, Philadelphia, but wrote a letter expressing his regret at not being able to be present, and assigning as a reason his desire to visit the relatives of his family in Western Pennsylvania, whom he said he had not seen for thirty years. Washington, Pennsylvania, is an interior villiage, and was at that time accessible by rail only by the way of Wheeling, West Virginia. Here the President was far removed from all exciting scenes, and had it been a part of the plan of Gould, Fisk, Corbin, and the other gold gamblers engaged in the conspiracy to send up the price of gold, to seclude the President in an out-of-the-way place, they could not have hit upon a plan more admirable than to send him to this little villiage in the extreme Southwestern portion of Pennsylvania.

THE BALL OPENS LIVELY.

All the arrangements being completed, Fisk and Gould, through different brokers, began to purchase gold. About the 15th or 16th of September, Fisk testifies that he bought seven or eight millions. Gould went in also, about the same time, and purchased heavily. At this time they had worked gold up to 140½ and controlled from fifty to sixty millions of it. $1,500,000 of this was held for General Butterfield, the Assistant Treasurer at New York. Gould had also loaned Butterfield $10,000 without security.

Butterfield was also purchasing Government bonds, as he admits in his testimony before the committee. He had purchased in Europe $730,000, and in this country $500,000 worth of bonds. Some of these purchases were made through the house of Seligman. This was only another form of speculating in gold, as is proved by the testimony of the banker George Opdyke:

"Q. Would not therefore such transaction in bonds on foreign account legitimately increase the amount of gold transactions in this country? A. I should think that to a certain extent they would. These are speculative transactions.

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Q. Would a man buying bonds here, not for the foreign market, but for himself, have any business to sell gold in that transaction? A. No, sir; he might do it with a speculative purpose and with an uncertainty in the future; but the case that I have stated is a triangular business transaction which gives him a small profit.

Q. Suppose you were to have a precisely similar business transaction, and this committee were to ask you whether you had, during the period covering that time, bought or sold gold, or had any dealings in gold, what ought you to answer that would be a truthful answer? A. Yes, sir.

Q. Could you answer "no" by any ratiocination that would be still true, and cover up your answer? A. No; no nearer than to call black white at the same time."

Butterfield, in his testimony before the committee, while admitting that he had bought bonds, denied that he had been speculating in gold. On this point he testified as follows:

BUTTERFIELD QUIBBLES—TRIES TO SWEAR OUT.

"Q. You have stated that you gave Mr. Gould no authority to buy gold for you. Did you ever give him authority to sell gold for you? A. No.

Q. In all that you have said in relation to gold transactions, you covered buying, selling, loaning, and the whole class of transactions that may occur in gold? A. Yes, an operation exclusively in gold, and having for profits from purchases on sales in gold.

Q. And all your answers in reference to that subject and your opinions while you were not engaged in gold transactions refer to buying, selling, or loaning gold? A. Yes.

* * * * * * * * * *

Q. It is perhaps due to explain to you a seeming inconsistency of a former answer in which you stated that you had no transactions in gold except the purchase of bonds on a gold basis. You afterwards acquiesced in the statement of Mr. Seligman, that he sold gold for you. A. That is a part of the general transaction: to make the bonds that he or others were carrying for me on a gold basis.

Q. What do you mean by a gold basis? A. My meaning is this: suppose to-day the price of gold is 122, and the price of 5-20's 114. I want to buy 100 5-20's of 1867 on a gold basis here. I buy that amount for that price and sell the same amount of gold at 122. I know very well, when I make that purchase, that the European market is cornering the price of gold, that if bonds go down to 5 per cent. below the par of gold on the other side they must fall here. If I think gold is going to fall, if I think it is not going to maintain its standard, I go and sell $100,000 of gold, and if gold falls 5 per cent. and bonds fall the same the bonds will stand, being on a gold basis. Bonds, however, do not fall quite as much as gold, and the purchase will be a profitable one when the gold is sold against these bonds."

SELIGMAN CONTRADICTS BUTTERFIELD.

Mr. Seligman testified, in regard to Butterfield's transactions through him, as follows:

"Q. What amount in gold and bonds have you transacted for him? A. About a million dollars.

Q. During any of these days of the panic week did you receive any messages from General Butterfield aside from the one you have mentioned? A. I think I did.

Q. What messages, if any? A. Only to come up and see him, to operate in bonds or gold for him.

Q. How often did you go during that week? A. I think not exceeding three or four times.

* * * * * * * * * *

Q. When did you begin to buy, sell, or loan stocks, bonds, or gold for General Butterfield? A. Some time in July. General Butterfield sent for us to say that he had received an order from the Treasurer, General Spinner, to sell, on account of some western banker, some 10-40 United States bonds which he wanted us to dispose of and render an account. That was our first transaction with General Butterfield. Then I became acquainted with him."

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GOULD AND FISK WANT FURTHER ASSURANCE.

About the 18th or 20th of September, Gould and Fisk appeared to have become uneasy. They were carrying an enormous quantity of gold and wanted to be certain that they were standing on firm ground. Fisk, in his testimony, describes the situation at that time as follows :

"It has always been our policy never to mix in politics unless it is our business, but Mr. Gould said to me that morning, 'This matter is all fixed up; Butterfield is all right. Corbin has got Butterfield all right, and Corbin has got Grant fixed all right;' that in his opinion they were interested together. That was a point I had not taken into consideration. I did presume that Mr. Corbin had prevailed upon General Grant to make him believe that forty-five was the proper point at which to carry off this crop. Up to that time I did not believe that General Grant or anybody connected with him had any interest in the movement whatever, but it startled me when it was suggested that Grant was in this movement, and I determined to go right around and see Corbin. I had known him before through a son-in-law of his by the name of Catherwood, whom I had met in railroading, but I said to Mr. Gould ; 'you give me a letter to him so that he will talk confidentially with me.' He did so and I went to see Mr. Corbin. When I met him he talked very shy about the matter at first, but finally came right out and told me

THAT MRS. GRANT HAD AN INTEREST.

That $500,000 of gold had been taken by Mr. Gould at 31 and 32, which had been sold at 37; that Mr. Corbin held for himself about two millions of gold, $500,000 of which was for Mrs. Grant and $500,000 for Porter. I did not ask whether he was General or not ; I remember the name Porter. This was given out very slowly He let out just as fast as I did when he found that Mr. Gould had told me about the same thing. I said: 'Now, I have had nothing to do with your transactions in one way or the other. I can make your pathway clear and straight by emptying it all out to me, because Mr. Gould and myself stand together ; we have no secrets from each other ; we have embarked in a scheme that looks like one of large magnitude. Mr. Gould has lost as the thing stands now. It looks as if it might be pretty serious business before getting out straight again. The whole success depends on whether the Government will unload onto us or not.' He said, 'You need not have the least fear.' I said : 'I want to know whether what Mr. Gould told me is true ; I want to know whether you have sent this $25,000 to Washington as he states.' He then told me that he had sent it ; that Mr. Gould had sold $500,000 of gold belonging to Mrs. Grant, which cost 33, for 37, or something in that neighborhood, leaving a balance in her favor of about $27,000, and that

A CHECK FOR $25,000 HAD BEEN SENT.

"Said I: 'Mr. Corbin, what can you show me that goes still further than your talk ?' 'Oh, well,' the old man said, 'I can't show you anything; but,' said he, 'this is all right.' He talked freely, and repeated, 'I tell you it is all right.' When I went away from there, I had made up my mind that Corbin had told me the truth."

It happened, however, that Fisk and Gould were not altogether satisfied, and the former saw Corbin and got him to write a letter to the President to urge him to prevent any interference on the part of the Government. This Corbin did, and it was sent by a special messenger, furnished by Fisk, to the President at Washington, Pennsylvania, sometime between the 18th and 21st of September. The messenger reached Pittsburgh about one o'clock in the morning ; he hired a team and drove to Washington, twenty-eight miles distant, arriving there early in the morning. He carried, in addition to the letter to the President, one of introduction from Corbin to Horace Porter. The letters were delivered about nine o'clock in the morning, and the President read his carefully, consulted with his wife, and then told the messenger that it was satisfactory—that there was no answer. Before this time, however, the news of the excitement in Wall street over the advance in the price of gold had reached every part of the country, and must have penetrated even the secluded rural town of Washington, Pennsylvania. The President evidently was disturbed. When he received Corbin's letter, he consulted with his wife before telling the messenger there was no answer.

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That same night Mrs. Grant wrote a letter to Mrs. Corbin, the contents of which are described by Gould as follows :

MRS. GRANT TO MRS. CORBIN.

"Q. What was in the letter—the portions you read? A. The substance of it was this: she says: tell your husband or tell Mr. Corbin that my husband is very much annoyed by your speculations; you must close them as quick as you can. That was the substance.

Q. Was that all you saw? A. That was all the substance of it; there were some intimations about Cuba, but that was all that interested me."

Mr. Corbin gives the substance of the letter in the following testimony:

"Q. State exactly the language of the letter, as nearly as you can? A. In that letter she says: the President was greatly distressed at the rumor that your husband was speculating in Wall street, and hoped he would instantly disconnect himself with anything of that sort. She spoke with such directness and feeling, that while but few words were used, they evidently were upon the assumption that there was something about it so terrible, so disgraceful, that it wonderfully excited my wife, to whom the letter was addressed. When Mr. Gould came in that night, I at once read to him the substance of this letter which had so agitated my wife, and then it was I told Mr. Gould at once that *I must* go out of this matter, that it had created a great deal of feeling in my own family as well as on the part of the President, and that the matter must now end."

CORBIN WANTS $100,000 TO GO OUT.

Corbin swears that Gould offered to give him then a hundred thousand dollars, in cash, on the condition that he would remain in, but that he rejected this proposition and insisted that he must go out. It does not appear, however, that the transaction was closed up then, or what losses or profits there were in it. Gould testifies about this particular conversation with Corbin as follows :

"Q. And you understood the object of Mr. Corbin in showing you the letter was to induce you to take his gold off his hands and help him out with his speculations? A. Yes, sir; I told him I would give him $100,000 on account, and that, when I sold, if he liked I would give him the average of my sales. I did not feel like buying any gold of him then.

Q. How did Mr. Corbin come out of the whole transaction in his speculations? A. He has not come out ; he has been sick ever since ; he says he does not know anything about any transactions."

FISK TELLS HIS STORY.

Fisk testifies that after the letter had been seen to the President at Washington, Pennsylvania, he had another interview with Corbin. At this meeting Mrs. Corbin was present, and after they had talked the matter over fully she made this remark :

"I know there will be no gold sold by the Government; I am quite positive there will be no gold sold, for this is a chance in a lifetime for us. You need not have any uneasiness whatever." The next day Fisk says Gould said to him: "Old Corbin feels troubled and nervous about some gold. He wants a hundred thousand dollars; what do you think of it?' Said I: 'If he wants a hundred thousand dollars to feed out to parties in interest, he had better have it.' I think this was on the afternoon of Thursday. Mr. Gould asked if that didn't look as if there might be some blow up. I said: 'If he wants that money to deal out to people and it will help to strengthen our position in regard to this gold, we will give him a hundred or two hundred thousand.' 'Well,' said he, 'do as you please.' I told him I would go and get the money, and I went immediately to Smith, Gould, Martin & Co., got a check for $100,000 and brought it and gave it to Mr. Gould in the carriage. Mr. Gould said he would stop there when he went home that night and give it to him."

THE CRISIS APPROACHES.

In the meantime, gold was still going up and Gould and Fisk were making large purchases. The letter from Mrs. Grant to Mrs. Corbin was received by the latter, according to Mr. Corbin's testimony on the 22nd of September. The President returned to Washington City a few days later. The culmination of

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the gold conspiracy occurred on Friday, September 24th. In the interval between the receipt of the letter to the President at Washington, Pennsylvaina, and Black Friday, the whole country was agitated over the operations of the gold gamblers in Wall street. The New York papers were full of speculations on the subject, and gave detailed accounts of the operations in the street. The merchants who had large liabilities in gold to meet were wild with excitement and were bringing all the influence they could command to bear on the President and Secretary of the Treasury to induce them to sell gold, but without avail. Finally on the 23d of September, gold hadbeen forced up by the Gould-Fisk combination to 144 and the coolest and steadiest men on the street were seriously alarmed. There was no limit to the power of the combination if the Government did not interfere. The speculators were confident and jubilant and confidently boasted of their ability and intention to send gold up to 200. They did not scruple to say they had the Government behind them; and to assert in the most positive terms that there would be no sales of gold ordered by the Secretary of the Treasury. Merchants who were compelled to have gold to meet their obligations, and bankers who had gone short, were almost crazy. If something was not done to break the combination of the bulls they would be ruined, and general ruin in the commercial world must follow, with a train of awful ruin dragging in the rear.

THE PUBLIC PRESSURE BROUGHT TO BEAR.

In this emergency they availed themselves of the kind offices of Mr. Bigelow, editor of the New York *Times*, who, on the morning of that ever memorable day which will be known to distant generations as Black Friday, made a fierce attack upon the gold gamblers. In speaking of the excitement in Wall street on the previous day and the operations of the Gould-Fisk party, he said:

"They not only bulled gold with a will, but talked freely of the warrant which they had from Washington, that the Government would not interfere with them. The highest official in the land was quoted *as being with* them, and he of course controls the action of the Secretary of the Treasury and the New York Assistant Treasurer. Although this must have been known to be false there were abundant rumors, and suspicions insidiously spread around the street to create the belief or fear with good men that the administration would not interpose by further sales of gold from the Treasury, or extra purchases of United States 5-20's in exchange for gold. * * * * * * The Gould-Fisk brokers bid the price up to 144 per cent. The parties who were demanding their gold compelled the sellers and borrowers, who had contracts with them to place five or seven per cent. additional advance in price in their own hands or else settle at the price of the day. This scene may be amusing enough to our readers as a Wall street fight between *bull and bear*, but it has a more serious aspect. The business of the produce exchange and the conduct of the ordinary foreign exchanges of the market are paralyzed by this heavy rise and *corner* in gold *through a sheer gambling operation*. The Government is scandalized by false rumors of complicity; the public credit damaged by the fall in the funds, and the general trade of the country agitated and unduly alarmed by a panic in money coincident with, if not strictly superinduced by the lock up in gold. When or where the trouble is to end we have no present means of telling."

TELEGRAPHING TO WASHINGTON.

The entire editorial from which the extract is made was telegraphed to the President and Secretary Boutwell by brokers and merchants, who were short of gold. They also sent hundreds of dispatches of their own corroborating the statements made in the *Times'* editorial. They rallied all the influence they could muster, and kept piling telegrams on the President and Secretary of the Treasury, but it was not until high noon that day that the Secretary gave the order to sell four millions of dollars of gold.

THE ORDER TO SELL KNOWN BEFORE IT WAS PUBLISHED.

This order was known fully an hour in Wall street before it was made known from the Sub-treasury, as Gould testified:

"Q. From your knowledge of the transactions of that day, do you believe that it was known in New York that the Secretary of the Treasury had ordered the sale of gold before the official announcement of fact? A. Certainly.

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Q. How long before? A. I think it was known an hour in advance."

Evidently Gould had still earlier intelligence of the action of the Secretary, because he testifies that he "sold all the morning," and it is quite well known that he lost nothing by these transactions in gold; but he left Butterfield in the lurch, while, as is pretty clear now, he took care of the old man Corbin, and one or two others interested with him.

THAT $25,000 PACKAGE.

The Democratic minority of the Committee called a witness who had seen the money-delivery book of Adams' Express Company, and was willing to swear that sometime in September, 1869, he had seen the entry of a package sent from New York to Mrs. U. S. Grant, White House, valued at $25,000. The Republican majority of the committee, however, refused to allow the witness to tell this. They were in a great flurry over it, and the next day, Sam. M. Shoemaker, Manager of Adams' Express Company, was called by the Chairman, Mr. Garfield, and produced the money-delivery book. He had previously told Garfield that there was no entry of a package delivered to Mrs. U. S. Grant in September, 1869, but when he was put on the stand, he was asked by Mr. Cox, of the minority, to produce the book, and when he did so, unexpectedly, the entry was pointed out to him. There it was, $25,000, plain enough; but Shoemaker swore that "after careful examination I am satisfied that it is $250." There was, however, no separation of the two 00 in the entry.

THE PROOF OF BABCOCK AND PORTER'S COMPLICITY.

That both Horace Porter and General Babcock were interested along with Butterfield there can no longer be any doubt, after the testimony given by Hon. Bluford Wilson on July 28, 1876, before the Select Committee of the House of Representatives on Whisky Frauds. Mr. Wilson said:

"On Sunday night, February 27th, statements were submitted to the President of the United States by which it appeared that Orville E. Babcock, the Private Secretary of the President, had been engaged in the Black Friday transactions, and that he and others lost in that transaction $40,000; that the money was lost to Jay Cooke & Co., of whom Fahnestock seemed to be the party through whom the transactions were had; that to make good his own losses and that of his associates. Babcock made a trust deed of his property, creating Asa Bird Gardner, of West Point, subsequently the Judge Advocate of the Military Court of Inquiry ordered at Chicago, his trustee. The statement was made to the President while Babcock was *en route* from St. Louis to Washington. It was, I believe, subsequently fortified by competent evidence satisfactory to the President."

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THE PLUNDERED SOUTH.

THE FINANCIAL CONDITION OF THE RECONSTRUCTED STATES UNDER CARPET-BAG RULE.

The following statement of the debt and liabilities of the States of ALABAMA, ARKANSAS, FLORIDA, GEORGIA, LOUISIANA, MISSISSIPPI, NORTH CAROLINA, SOUTH CAROLINA, TENNESSEE, TEXAS, and VIRGINIA, incurred since the close of the late civil war, has been compiled from the Report of the Joint Committee of both Houses of Congress which was appointed on March 20, 1871, and directed to investigate into the condition of the late Insurrectionary States. This Joint Committee, after taking fifteen volumes of printed testimony, made a report of their findings and conclusions in an elaborate, exhaustive and instructive document of nearly seven hundred printed pages. Besides giving the figures which will be found below, this Report enters very thoroughly into a discussion of the cause from which emanated the lamentable consequences to some of the Southern States. And in view of the attempts that are being constantly made by the Republican party to exaggerate, misrepresent, and falsify the troubles and disorders which have occurred in certain localities, in the Southern States, for the purpose of keeping alive the memories of the war, and thus the better to subserve partizan purposes, it would be well, perhaps, to refer briefly to the legislation of Congress and the acts of the Executive, with respect to the States of the South from the surrender in 1865 until 1870.

THE SOUTH RELIES UPON THE PROMISES MADE AT THE TIME OF THE CAPITULATION.

When the war was ended, the people of the South, relying on the promises made by the Federal Generals, while their armies were still in the field, and on the negotiations preceding the surrender, and on the proclamation of the President, and the utterances of both the press and the public men of the North, as well as upon the terms actually agreed on between Generals Grant and Sherman with Generals Lee and Johnston respectively, at the time of the capitulation of the command under the latter, were induced to believe, and did believe, that when resistance to Federal authority ceased, and the supremacy of the Constitution of the United States was recognized in the seceded States, and especially after the ordinances of secession were repealed, and an amendment to the Constitution abolishing slavery everywhere was ratified by their Legislatures, that a full and complete restoration of the Southern States, and the people thereof, to their former position of co-equal States in the Union would at once take place; and after the exhaustion of such a terrible war they hailed the return of peace upon such terms, not only with satisfaction but with delight. They acknowledged defeat, accepted the situation, went to work earnestly to build up their waste places, retrieve their lost fortunes, and support, defend, and maintain the Union and the Constitution. Large numbers of the Southern people in the seceded States had never felt any hostility to the General Government, and had only fol-

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lowed the fortunes of their States and people during the war, when they were impotent to resist, and when it was folly to oppose the action of those in authority.

THE DIFFERENCE IN THE SITUATION NORTH AND SOUTH IMMEDIATELY AFTER THE WAR.

It was not to be expected that such a mass of men as composed the Confederate army, and were connected with its administration, could at once return to the ordinary avocations of civil life, without confusion or disturbance. The men who composed the Federal army, when the war closed, found, on their return to their homes, a healthy, prosperous, peaceful and well organized society.

Not so with the South There society was disorganized; the strain upon the people to supply the armies in the field had exhausted their resources; the regions which had been the scene of active military operations, were laid waste; starvation stared the people in the face; labor was absolutely demoralized; the negro population which, as slaves, had furnished the great bulk of labor, had become free, and in their poverty, ignorance, and incapacity to appreciate the effect of their altered condition, were slow to realize the necessity for constant and continued labor on their part, so that the confederate soldier, and all others, who had, during the years of war, devoted themselves to that cause, found, on the return to peace, nothing but poverty and ruin in all their land, and themselves absolutely beggars among people who had nothing to give.

THE AUTHORITY OF THE UNITED STATES HAS ALWAYS BEEN RESPECTED.

Under such circumstances it was, as before stated, impossible to restore perfect social order, and exact implicit obedience to the laws without encountering local opposition in certain remote and rural districts. But these disturbances were neither frequent or of any magnitude. The whole South was speedily overrun by needy white men who followed in the wake of the great conquering armies, and were intent only upon bettering their desperate fortunes. Many of these bad men were acting as the agents of the Freedmen's Bank, and others were connected with the Freedman's Bureau, and all were seeking to put strife between the late slaves and their former masters; hoping thereby not only to reap immediate personal profit, but to accomplish ulterior political purposes. They held out delusive promises of "forty acres and a mule" to the ignorant blacks, and encouraged the ill-dispositioned among them to entertain exaggerated notions of political and social equality, The poor, benighted negroes looked upon every Northern white man as an angel in human form, and implicitly accepted his teachings as Gospel truths. The State governments had been overturned along with the Confederate authority, and all the local machinery of government was for the time being hopelessly deranged. Provisional military governments were established, and from the central directory at Washington, the Republican Congressional leaders, on the partial withdrawal of military rule, formed the carpet-bag despotism. The corner-stone of this political structure was negro suffrage, which of itself was not wrong, but was made an instrument by these designing politicians and their wicked and unscrupulous agents in the South, of afflicting a curse upon that country ten-fold more pregnant with evils to the Southern people than the war itself. It is not surprising, therefore, that in one or two States where these oppressions, exactions and indignities of the foreign rulers were the most marked, and where the blacks were incited by unscrupulous Northern whites to the last degree of insolence, that there was manifest on the part of a few unruly and ungovernable Southern white men a spirit of impatience which sometimes cropped out in

THE CRIMES OF THE KU-KLUX AND KINDRED ORGANIZATIONS.

But these disorders were not epidemic; they were spasmodic. They were confined almost exclusively to two States and to a small area of territory in each. The great mass of the people of these States discountenanced and denounced the authors of the crimes, and should no more be held responsible for them than the bulk of the population in the anthracite coal regions of Pennsylvania should be condemned for the murders, riots and outrages of the Molly Maguires. The State authorities, who had ample power and whose duty it was to suppress these crimes and punish the authors of them, did not attempt to do

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it. It was to their interest to exaggerate all such occurrences and magnify the power of the men who were guilty of the outrages, because by so doing they pandered to the desires of their confederates, the leaders of the Republican party in the North, who were seeking by every devilish art to fan into live coals the dying embers of sectional predjudices and passions which had during the war influenced the Northern mind. Hence, military interference by the Federal government was frequent, and the crimes of a few bad white men whose acts were discovered and condemned by ninety-nine thousands of the Southern people, were made the pretext of establishing an anomolous and unrepublican form of government in the eleven Southern States.

When hereafter the impartial historian comes to write the history of the reconstruction measures which a Republican Congress imposed upon the South, he will certainly pronounce them not only unjust, but, viewed from an economic standpoint, unwise and pregnant with evils which retarded the growth of that section, and by reflex action sapped the foundation of Northern prosperity. It was this policy of the Republican party which first sowed the seeds of discord in the South, and engendered race prejudices.

THIS TRUTH IS ELOQUENTLY CONVEYED BY MR. LAMAR

in his great speech, delivered in the House of Representatives on the 2d of August, 1876. He said :

"The policy of reconstruction excluded the white race (on account of its suspected disloyalty), as the basis of the new order. But as the black race was considered as incompetent to manage the new structures built for them, military power, for the first time in the history of the American Government, was employed as the force to put and keep in operation the machinery of civil government. I do not propose to discuss this policy, but simply to call special attention to one feature of it. All the measures in the futherance of that policy, the Freedman's Bureau, which cut all connection of the two races sheer asunder, whose agents and officers were made judges to try and punish offenses by the whites against the rights of freedmen, without jury or the right of judicial appeal; the act dividing the South without reference to State lines into military districts, and vesting the power of appointing all civil officers in a commanding general; the acts for restoring civil governments, were all based upon this one idea of protecting the enfranchised black race against the wrongs anticipated from the disfranchised white race; and, as a matter of fact, therefore, this reconstruction legislation, as conceived and enforced, actually arrayed the two races into distinct and opposing classes, and drew the color-line as distinctly and perfectly as if such race distinction had been enjoined in the Constitution. The very first principle of government your new-made citizens saw in operation was the principle of race discrimination. The very first lesson in civil government which they learned was the proscription of the white race as an object of political distrust and resentment.

"The strange spectacle of these two races locally intermingled, bound together by the strongest ties of interest and affection, yet as completely separated politically as if a deep gulf had sunk between them; the passions incident to party contests in which the contestants differ not in conviction, but in race, and now charged as one of the heavy items against the South, find their authorship and origin in the legislation of the Government and the action of its agents. One moment's consideration will convince any fair mind of this. The measures devised for the sole benefit, protection, and ascendency of one race will surely command the support of that race; and if the same policy disfranchises the other race, hurls it from its proud tradition into a condition rife with all the elements of humiliation, and deprives it even of its ancient guarantees against the oppression of arbitrary power, the inevitable effect is, perforce, to drive that race into opposition to those measures. Thus, I repeat, by a policy which drew one race to its support and drove the other into opposition, the separation of the two was produced without the voluntary agency of either, and against the natural tendencies of both.

A VICIOUS AND IRRESPONSIBLE GOVERNMENT.

"The report of every investigating committee sent to the South confirms this; for, sir, the South has been subjected to an ordeal that no other community in the world has ever been subjected to. It has been uncovered and subjected to a microscopic investigation into all the details of its society. I hold in my hand a re-

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port made by Messrs. HOAR, FRYE, and WHEELER, in which, speaking of the state of things in Louisiana, one of the causes there mentioned is the fact that the Administration party is made up by massing together almost entirely the black vote with a few whites, largely from other States. These few whites, largely from other States, are a class of men who came as agents of the Freedmen's Bureau, thence transferred to the military department, from which they were carried over by the bayonet to the reconstructed civil government. And there they have been maintained by the power of the Federal Government ever since, gorging themselves with the spoils of that plundered people until recently their grasp upon our throats has been broken by the protecting force of an enlightened public sentiment at the North and West. It is not my purpose to describe the character of the governments which resulted from this policy. I call attention simply to two priciples they embodied. Gibbon, in his history of Rome, speaking of Egypt, says that the most absurd and oppressive system of government that can be conceived of is that which subjects the natives of a country to the domination of its own slaves. John Stuart Mill, in his work on representative government, says that a government administered by rulers responsible to the governed may be a good government according to the character of the constituency which it represents; but that a government administered by rulers who are not responsible to the people of the government, but to some other community or power, is one of the worst conceivable systems of government; and, sir, these hideous structures in the South were a composite of those two vicious systems. The people there were subjected to the domination of our former slaves; we were ruled over by men not responsible to the people governed, but to the Federal Government. Governor Chamberlain and Governor Kellogg come here to make their reports and to get their instructions, and they neither think nor care for the people of Louisiana or South Carolina. No man has ever had the temerity, since I have been here, to defend or apologize for these governments. I shall cite only Republican testimonies as to their character."

GEN. GRANT'S LETTER ON THE SOUTH IN 1865.

The testimony establishing the fact that immediately upon the close of the war, the Southern people accepted in good faith the situation, is abundant, and comes from the highest Republican authority. An investigation was instituted, and among others President Grant, then general of the army, proceeded to portions of the South to examine for himself. We quote the more important parts of his report:

HEAD-QUARTERS ARMIES OF THE UNITED STATES,
WASHINGTON, D. C., Dec. 18, 1865.

TO HIS EXCELLENCY ANDREW JOHNSON, *President of the United States:*

SIR: In reply to your note of the 16th instant, requesting a report from me, giving such information as I may be possessed of, coming within the scope of the inquiries made by the Senate of the United States in their resolution of the 12th instant, I have the honor to submit the following:

With your approval, and also that of the Honorable Secretary of War, I left Washington City on the 27th of last month, for the purpose of making a tour of inspection through some of the Southern States, or States lately in rebellion, and to see what changes were necessary to be made in the disposition of the military forces of the country; how these forces could be reduced and expenses curtailed, &c. &c., and to learn, as far as possible, the feelings and intentions of the citizens of those States toward the General Government.

* * * * * * *

Both in traveling and while stopping I saw much and conversed freely with the citizens of those States, as well as with officers of the army who had been stationed among them; the following are the conclusions come to by me:

I am satisfied that the mass of the thinking men of the South accept the present situation of affairs in good faith. The questions which have heretofore divided the sentiment of the people of the two sections—slavery and state rights, or the right of a State to secede from the Union—they regard as having been settled forever by the highest tribunal—ARMS—*that man can resort to.*

I was pleased to learn from leading men whom I met, *that they not only accepted the decision arrived at* AS FINAL, but, now that the smoke of battle had cleared away, and time has been given for reflection, that their decision has been a fortunate one for the whole country, they receiving like benefits from it with those who opposed them in the field and in the council.

* * * * * * * * * * * * *

The presence of black troops lately slaves, demoralize labor, both by their advice and by furnishing in their camps a resort for the freedmen for long distances around. White troops

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generally excite no opposition, and th refore a small number of them can maintain order in a given district. Colored troops must be kept in bodies sufficient to defend themselves. *It is not the thinking men* who would use violence toward any class of troops sent among them by the general government, but the ignorant in some places might, AND THE LATE SLAVE SEEMS TO BE IMBUED WITH THE IDEA THAT THE PROPERTY OF HIS LATE MASTER SHOULD BY RIGHT BELONG TO HIM, *or at least should have no protection from the colored soldier.* There is danger of collisions being brought on by such causes.

My observations lead me to the conclusion that the citizens of the Southern States are anxious to return to self-government within the Union as soon as possible; that while reconstructing, they want and require protection from the government; *that they are in earnest in wishing to do what they think is required by the government, not humiliating to them as citizens;* and that if such a course were pointed out they could pursue it in good faith. It is to be regretted that there cannot be a greater commingling at this time between the citizens of the two sections, and particularly of those intrusted with the law making power.

* * * * * * * * * * * * *

U. S. GRANT,
Lieutenant-General.

On the 18th of July, 1867, when General Grant was examined before a committee of Congress, he said:

"I KNOW *that immediately after the close of the rebellion there was a very fine feeling manifested in the South, and* I THOUGHT WE OUGHT TO TAKE ADVANTAGE OF IT AS SOON AS POSSIBLE."

All impartial men then ageeed that the statement of General Grant was true.

REPRESENTATION DENIED THE SOUTH—BUT ONEROUS TAXATION ILLEGALLY IMPOSED.

If punishments had been politic or possible, *then was the time* to have inflicted them. The Federal Courts were open everywhere; the judges and officers were in full accord and sympathy with the administration; nearly all the great leaders of the rebellion were at their homes and subject to be arrested; the president of the Confederate States was in jail, demanding a trial and ready to abide the result; he was, for causes satisfactory to the administration, discharged, and all proceedings looking to personal punishment were everywhere abandoned. The people of the South, of course, thought the war was ended; Congress so declared; the President so proclaimed; the people of the North and of the South so understood; all believed the war waged to maintain and preserve the Constitution and the Union of co-equal States, had proved a success, and that the old representative system of government—a government, as Mr. Lincoln said, "of the people, for the people, by the people"—would go on as of old.

The Southern people, under the programme laid down for them, re-organized their State governments, elected Representatives and Senators to Congress, ratified the Thirteenth Amendment to the Constitution of the United States by their State Legislatures, conferred by law all civil rights on their emancipated slaves; in short, did all they thought the Federal Government wanted them to do. But when their Senators and Representatives knocked for admission at the doors of Congress they were told to go home, that they were rebels, and ought to have no voice in the legislative councils of the government. And when they had not a Representative in Congress, a tax of three cents a pound was levied upon all cotton exported, that being their great staple product, while every other portion of the country could export its products duty free.

RECONSTRUCTION LAWS—SUFFERINGS OF THE SOUTH.

The Freedman's Bureau Bill and the Civil Rights Bill were next fastened upon them. Then followed the series of reconstruction measures. Men and women in the Northern and Western States have but a faint idea of the oppressions wantonly heaped upon the people of the South; of the insolence of the adventurers who were made their masters; of the strife they stirred up by their appeals to the worst passions of the ignorant negroes, inciting them to crimes, and deceiving them by false promises of conferring upon them the property of their former masters, in order that they, by the votes of the negroes, might ride into power and place, and thus be enabled to rob and plunder a people whose most intelligent men and largest property owners were disfranchised by Congress, the more surely to enable the Freedman's Bureau agents, and other adventurers, to obtain and hold undisputed possession of all the functions of government, State and Federal.

This being the condition of affairs, the only surprise is that the Southern people were not robbed and plundered to a greater extent than they were.

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FINANCIAL CONDITION OF THE SOUTH.

The following statement will show the debt of the Southern States in 1865 and in 1871–2. It will be observed that in the majority of the States there exists a very large contingent and prospective debt, which was incurred ostensibly to aid in the construction of railroads to develop the resources of the States. In many instances this was a mere subterfuge, resorted to by the carpet-baggers in order to plunder the Treasury under color of law. In addition to giving the actual and adjusted debt of each Southern State in 1865 and in 1871–2, together with the contingent debt during the same period, it has been deemed proper to append a few explanatory notes which have been collected partly from the report of the Joint Congressional Committee, and partly from other sources equally reliable.

ALABAMA.

ACTUAL AND ADJUSTED DEBT.

In 1865	$6,221,186
" 1872	9,306,781
Increase under carpet-bag rule	**$3,085,967**

CONTINGENT AND PROSPECTIVE DEBT.

This debt represents the endorsement by the State of the Bonds of railroads, the bulk of which are in default, and many of them worthless. It had reached in 1872 the sum of	$29,620,000
Total debt and contingent liabilities in 1872	**$32,926,967**

Total increase under carpet-bag rule,
$26,705781.

It may not be out of place to state that **$7,000,000** of the aforesaid contingent debt was advanced to a single railroad, the Alabama & Chattanooga, which is now hopelessly bankrupt. The State has already been compelled to pay over half a million dollars of its debts.

The above exhibit of mal-administration under the carpet-baggers is in striking contrast with the previous financial history of Alabama, whose indebtedness of $15,400,000 in 1837 was reduced to $3,445,000 in 1860.

ARKANSAS.

ACTUAL AND ADJUSTED DEBT.

In 1865	$4,527,879
In 1871	5,361,265
Increase under carpet-bag rule	**$833,386**

PROSPECTIVE AND CONTINGENT DEBT.

This debt consists of liabilities assumed by the State in guaranteeing the payment of railroad and levee bonds, and amounted in 1871 to	**$14,390,000**
Total debt and contingent liabilities in 1871	**$19,751,265**

Total increase under carpet-bag rule,
$15,223,386.

It is generally conceded that the debt of the State was unjustly increased over half a million dollars by a carpet-bag Legislature, which was bribed for that purpose.

FLORIDA.

ACTUAL AND ADJUSTED DEBT.

In 1865	$1,370,617
" 1872	2,556,072
Increase under carpet-bag rule	**$1,185,455**

CONTINGENT AND PROSPECTIVE DEBT.

The State has become responsible for the bonds of several railroads, amounting in 1872 to	$14,000,000
The total debt, actual and contingent, is, therefore, in 1872	$16,556,072

Being an increase under carpet-bag rule of
$15,185,455.

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Of course, this rapid increase in the State debt was the result of official venality. It is charged, among other things, that the Governor issued $4,000,000 in bonds to the Jacksonville, Pensacola and Mobile Railroad Company *improvidently*, and when the company was not entitled to so large a sum. The law, however, is not clear on this subject, having been loosely drafted, and without doubt in the exclusive interest of the railroad company. Although charges of corruption were made against the Executive, the latter never deigned to explain the reasons for his extraordinary action. The poverty-stricken condition of the people of Florida may be conceived when it is stated that there are now due the State for unpaid taxes $604,672.45.

In the city of Jacksonville, in 1873, the prisoners confined in the jail of that place had to be supported by contributions of food and money from the charitable, otherwise it would have been necessary to have released or starved them.

GEORGIA.

ACTUAL AND ADJUSTED DEBT.

In 1865	$5,706,500
In 1872	8,618,750
Increase under carpet-bag rule	**$2,912,250**

CONTINGENT AND PROSPECTIVE DEBT.

This debt is for liabilities assumed in endorsing the bonds of railroads, and amounted in 1872, in round figures, to $30,000.00

The total debt, actual and contingent, in 1872 was $38,618,750

Increase under the carpet-bag government,

$32,912,250.

Georgia was formerly not only the richest and most prosperous of the Southern States, but was almost free from *both debt and taxation*. She owned a railroad, the earnings of which were nearly sufficient to meet the annual expenses of conducting the State Government. This railroad was sold by a venal Government and a corrupt Legislature for a mere song, to a combination of Northern capitalists headed by Simon Cameron, Tom Scott, and Columbus Delano, then Secretary of the Interior.

Referring to the extravagant issue of bonds in aid of railroads, the Editor of the Republican *Freeman* of Georgia—a Northern man—in his testimony before a Committee of Congress in 1872 says: "If this recklessness and waste are not speedily stopped, but are followed with new issues of bonds, the result is inevitable. The State will soon be absorbed, and the toiling farmers, with what little they can gather up, will be forced to flee their homes for safety from the tax-gatherers." The Treasury of the State was plundered by the Republican Executive himself who fled to escape merited punishment. The Governor's partner, Kimball, who though a bankrupt in 1868, was the president of seven railroads, was shorn of his power. Blodgett, who was indicted for criminal offences, was so notoriously infamous that he was denied the seat in the United States Senate to which a venal corrupt and ignorant carpet-bag Legislature had elected him. The State has since passed into the hands of a Democratic Governor and Legislature, under whose wise, patriotic and pure administration Georgia is becoming rapidly convalesent, and will no doubt resume, before many years, her former thrifty and prosperous condition, unless, indeed, federal bayonets again invade her soil and fasten another gang of thieves upon her.

Since this change has occurred, *her debt has been funded and the actual liabilities of Georgia are only about eight millions.* Her credit, which at one time reached a very low ebb, so low that it was almost impossible to negotiate her bonds at any price, has been entirely recovered, and to-day the lowest quotations of Georgia bonds are one and one-quarter cents above par value.

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LOUISIANA.

ACTUAL AND ADJUSTED DEBT.

In 1865	$13,357,999
" 1872	29,619,473
Increase under carpet-bag rule	**$16,261,474**

CONTINGENT AND PROSPECTIVE DEBT.

This debt consists of bonds endorsed by the State to assist miscellaneous, so-called internal improvements, railroads, levees, canals, etc., etc., and in 1872 amounted to	**$12,245,000**
Total debt and contingent liabilities in 1872	$41,864,473
Total increase under carpet-bag rule	**$28,506,474**

The Governor of the State, in a speech delivered in 1870 to a Committee of citizens of New Orleans, that waited upon him and solicited his co-operation in arresting the venal schemes of an infamous Legislature, in the course of his remarks admitted that numerous attempts had been made to bribe him into signing certain bills. "*A gentleman of your city offered me a bribe of* $50,000 *and one-sixth of the net profits, to sign that* (the Nicholson Pavement) *Bill,*" exclaimed this Governor, "and I told him I could not sign it.' Whilst admitting this attempts to bribe him and some of the persons indicated by his Excellency, allege that he had already been secured on the other side, whilst others aver that the prices offered the Executive were not deemed a fair equivalent. The several Legislatures which created the above indebtedness were so notoriously corrupt, that no attempts were made at concealment. They studiously avoided the enactment of bribery laws, nor did the Statute book contain such laws until 1875. The lamentable condition of society and government, in a State where the Chief Executive and the Legislature can be approached with bribes, and the Governor can make and publish such charges against citizens and the Legislature itself, can be more easily imagined than described. The present Kellogg Government is regarded by respectable Republicans of Louisiana as infinitely more corrupt and unscrupulous than any that has heretofore existed in Louisiana, and it is this infamous and venal Government, which was fastened upon the people of the State of Louisiana by the so-called compromise, effected at the behest of the Congressional Committee, headed by William A. Wheeler, the present Republican Candidate for Vice-President of the United States.

MISSISSIPPI.

ACTUAL AND ADJUSTED DEBT.

In 1865	$919,767
In 1871	2,284,216
Increase under carpet-bag rule	**$1,367,449**

The cost of conducting the State Government of Mississippi was in 1868 only $438,000 and in 1870 **$942,000**.

The public printing before the war cost $10,000. In 1872 this item had reached $127,000.

The absence of a bonded debt in the above statement, is due entirely to the fact that the State Constitution prohibits the Legislature from pledging the credit of the State. Hence, the existing liabilities embrace only Auditor's warrants and certificates of indebtness.

The rate of taxation in 1874 reached $30 per 1,000 in several of the larger counties.

NORTH CAROLINA.

DEBT AND LIABILITIES.

In 1868	$15,779,945
" 1872	34,887,467
Increase under carpet-bag rule	**$19,107,522**

If the legislation of the carpet-bag convention of 1868 and of the Legislature of 1868-'69, had been carried into effect the result would have been a State debt, on January 1, 1871, of $42,000,000. Fortunately, however, the courts interfered,

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and saved the State about $10,000,000, by declaring appropriations to this amount, illegal and void. The Governor of the State declared in 1871 that repudiation of at least a part of the debt was a necessity. The Legislature was so corrupt that it was impossible to secure any legislation without paying for it. A director of a railroad testified before a Congressional Committee that overtures for the passage of ten millions of bonds in aid of the railroad had been made by the leaders in the Legislature, on condition that they would be paid ten per cent. of the amount voted.

SOUTH CAROLINA.

ACTUAL AND ADJUSTED DEBT.

In 1865	$13,038,964
" 1871	15,768,306
Increase under carpet-bag rule	**$2,729,342.**

CONTINGENT AND PROSPECTIVE DEBT.

This debt is for endorsing the bonds of railroads, and in 1871 was	$6,712,608
Total actual and contingent debt	$22,480,914

Total increase under the carpet-bag administration,

$9,441,950.

The above statement is reliable as information derived from official sources can make it, but by no means accurate. To ascertain the exact amount of the debt and liabilities of South Carolina is perhaps impossible. The whole machinery of the State Government, as results prove, has been run for the express purpose of plundering the people and enriching the officials. This unfortunate State fell into the hands of a worse set of carpet-baggers than any other. The negroes, as a class, were more ignorant and debased in South Carolina than elsewhere in the South. They outnumbered the white electors by 35,000 voters, and became the pliant tools of the needy adventurers who obtained power by their votes. The Governor and his official staff were all carpet-baggers. The Legislature was composed mainly of ignorant negroes and degraded white men. The people of South Carolina are now not only on the verge of bankruptcy, but their future is almost without a gleam of hope. But, as the plunderers have quarreled over their victim, their dissensions may perhaps bring some relief. This is the only chance the people have.

TENNESSEE.

ACTUAL AND CONTINGENT.

In 1866	$26,777,347
" 1872	32,054,476

Total increase under carpet-baggers,

$5,277,129.

The large increase of debt since the war was caused by granting aid to railroads, in the shape of the endorsement of their bonds. The several carpet-bag Legislatures which passed the obnoxious measures were, of course, composed of the usual corrupt material. But after years of trouble and misfortune, the State has at last passed from the control of her oppressors and marauders, and is now safe under the able and honest management of her own people.

TEXAS.

ACTUAL AND ADJUSTED DEBT.

In 1865	$ 328,866
In 1871	1,454,887
Increase under carpet-bag rule	**$1,129,021**

CONTINGENT AND PROSPECTIVE DEBT.

The State has incurred prospective and contingent liabilities by guaranteeing the bonds of the Southern Pacific and International Railroads, to an extent estimated in 1872 at	$11,500,000
Total contingent and prospective debt	$12,954,887

Total increase under the carpet-baggers,

$12,629,021.

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VIRGINIA.

In 1865	$41,061,316
In 1871	47,390,839
Increase under carpet-bag rule	$6,329,523

Virginia's comparatively small increase in her debt is due to the short-lived power of the carpet-baggers in the State. Under her Democratic officials the financial condition of the State is very satisfactory.

A CONTRAST SHARPLY DRAWN.

The contrast between the condition of the people in the Southern States which have been redeemed from carbet-bag rule, and in the unfortunate States of South Carolina, Florida and Louisiana, is sharply drawn in the following synopsis of the proceedings of the trustees of the Peabody Fund, which was sent all over the country by the Associated Press, and published in the daily papers of August 7, 1876. This article says:

The Peabody trustees, now in session at the Greenbrier White Sulphur Springs, spent Friday in discussing Dr. Sear's report of last year's work. The report shows a general flourishing condition of the public schools in the Southern States, except in Florida, South Carolina and Louisiana. The total amount expended for last year was $99,150. Virginia received $20,050; North Carolina, $8,300; South Carolina, $5,000; Georgia, $8,550; Florida, $3,700; Alabama, $5,800; Mississippi, $11,800; Louisiana, $2,000; Texas, $4,550; Arkansas, $2,800; Tennessee, $14,600; West Virginia, $12,000. West Virginia and Tennessee have received larger proportionate amounts than any other States, because they have made more effort to foster and promote a public school system. The amounts paid South Carolina, Florida and Louisiana are proportionately small, because of their failure to foster a public education, the idea of the trustees, being to help those who help themselves. There are, however, 1,000,000 children attending schools, in part supported by the Peabody fund. There will be over $100,000 for distribution the ensuing year, after paying all expenses. The report closes with a reference to the death of Governor Clifford, and a tribute of respect to his memory.

Mr. George Peabody Russell, of England, who spent last Winter in the South, expressed the opinion that nothing could be expected from those States in the way of advancing their educational interest until there was an entire change in their State governments.

This report needs no comment. Facts speak for themselves.

RECAPITULATION.

TOTAL INCREASE UNDER CARPET-BAG GOVERNMENT.

Alabama	$26,705,781
Arkansas	15,223,386
Florida	15,185,455
Georgia	32,912,250
Louisiana	28,506,474
Mississippi	1,367,449
North Carolina	19,107,522
South Carolina	9,441,950
Tennessee	5,277,129
Texas	12,629,021
Virginia	6,329,523
GRAND TOTAL INCREASE IN THE ELEVEN SOUTHERN STATES	**$172,685,940**

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RADICAL RULE IN MISSISSIPPI.

ALL THE STATEMENTS OF SENATOR MORTON ABOUT INTIMIDATION AND VIOLENCE PROVED TO BE UNFOUNDED BY THE TESTIMONY OF REPUBLICANS.

The report of the minority of the Senate Select Committee to inquire into the alleged outrages in Mississippi given in full below, was submitted to the Senate August 8th, 1876. The Republican majority of the Committee withheld the evidence from the printer until they had completed their own report, which was not submitted to the minority until the day before it was laid before the Senate. The minority had not the opportunity to examine the testimony after it was printed, because it has not up to this date, August 16, come from the hands of the printer. For this reason the blank references in their report to the testimony quoted can not be supplied. It is worthy of note that while the Republican press has made a loud outcry about the Democratic majorities of the House Committees only giving the Republican minority forty-eight hours notice of their intention to submit their reports to the House, here was a Republican majority of a Senate Committee which did not submit their report to the Democratic minority till a few hours before it was made to the Senate, and, to prevent, if possible, the minority from making a report, deliberately withheld the testimony from the printer.

The views of the minority are as follows:

On December 15, 1875, the Senator from Indiana [Mr. MORTON] submitted the following resolution:

"Whereas, it is alleged that the late election in Mississippi for members of Congress, State officers, and members of the Legislature was characterized by great frauds, violence, and intimidation, whereby the freedom of the ballot was in a great measure destroyed, a reign of terror established, ballot-boxes stuffed, spurious tickets imposed upon voters, so that a popular majority of more than 25,000 was overcome, and in its place was given an apparent but fraudulent majority of more than 25,000; and whereas the Legislature thus chosen will have the election of a Senator to represent that State in this body; and whereas if these allegations are true a great number of the citizens of the United States have had their rights under the Constitution and laws of the United States wickedly violated: Therefore,

"*Resolved*, That a committee of five Senators be appointed by the Chair to investigate the truth of the said allegations and the circumstances attending said election, with power to visit said State to make their investigations, to send for persons and papers, and to use all necessary process in the performance of their duties; and to make report to the Senate before the end of this session of their investigation and findings."

He supported its adoption by a series of speeches, the last of which was dated January 19, 1876, the true history and inspiration of which will hereafter be

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noted in considering the testimony taken before the committee The resolution slept until the 27th of March, 1876, when an amendment was proposed by the Senator from Michigan [Mr. CHRISTIANCY] and accepted by Mr. MORTON, as follows:

"Whereas it is alleged that the late election in Mississippi (in 1875) for members of Congress, and State officers, and members of the Legislature, was characterized by great frauds committed upon and violence exercised toward colored citizens of that State and the white citizens disposed to support their rights at the election, and especially that the colored voters on account of their color, race or previous condition of servitude, were, by intimidation and force deterred from voting, or compelled to vote, contrary to their wishes, for candidates and in support of parties to whom they were opposed, and their right to the free exercise of the elective franchise, as secured by the fifteenth amendment to the Constitution, thus practically denied and violated, and that such intimidation has been since continued for the purpose of affecting future elections; and whereas the people of all the United States have an interest in and a right to insist upon the enforcement of this coustitutional amendment, and Congress, having the power to enforce it by appropriate legislation, cannot properly neglect the duty of providing the necessary legislation for this purpose: Therefore

"*Resolved*, That a committee of five Senators be appointed by the Chair to investigate the truth of these allegations, and to inquire how far these constitutional rights have, in the said election, been violated by force, fraud, or intimidation, and to inquire and report to the Senate, before the end of the present session, whether any, and if so, what, further legislation is necessary to secure to said colored citizens the free enjoyment of their constitutional rights; and that said committee be empowered to visit said State, to send for persons and papers, to take testimony on oath, and to use all necessary process for these purposes."

SENATOR BOUTWELL'S FANATICISM.

After debate in the Senate, the resolution was adopted. In the course of this debate, the Senator from Massachusetts [Mr. BOUTWELL] made the following declaration:

"For seventy years the spirit of hypocrisy and misrepresentation dominated over the slave-holding section of this confederacy. They continually presented themselves to the country and to the world as the friends of the Union, and it was a lie from first to last. They were the enemies of the Union; and when the Union did not answer the chief purpose which they had, and the only purpose they had, the preservation of the institution of slavery, they made war upon the Union. The Senator from Delaware was the political supporter and ally and the substantial defender of the men who made war upon the Union, who clung to the Union for seventy years under the falsehood that they were its friends. They were its enemies all the while. Slavery, the spirit of slavery, is and ever has been the eneny of the Union and it is so to-day. The troubles in the South are due to the spirit of slavery, and the time has come when I am forced to confess to myself and with reluctance to say here that I do not in my heart believe that any man educated under and obedient to the influence of slavery can be the friend of a Union that is designed to establish and preserve equality. The North will do well to take heed and to trust no man who was brought up under the influence of slavery, controlled by its spirit, and dominated by its power, and is not yet extinct."

The committee, as finally appointed under the resolution, consists of Messrs. BOUTWELL, (chairman,) CAMERON, of Wisconsin, MCMILLAN, BAYARD and MCDONALD, thus omitting in the organization of the committee the mover or amender of the original resoulution. The first meeting of the committee was held on the —— in the Capitol, and, at the second or third meeting, the clerk of the committee, Mr. Bartlett, was appointed stenographer, and Mr. James Redpath, of Massachusetts, was selected in his place as clerk, and has continued with intelligence and efficiency to fill that position, having been present at all the sessions of the committee. On the —— a resolution was offered in the committee by Mr. BAYARD that the testimony should be taken with open doors, which was rejected by the committee, Mr. BAYARD and Mr. MCDONALD voting in the affirmative. But a small portion of the testimony has as yet been printed, nor has any report of the committee been made; but Mr. Redpath, the clerk, having had the fullest opportunity of hearing the testimony of the witnesses and having had charge of all communications to the committtee, has been enabled, in advance of the committee, to submit a public report

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over his own signature, of which the following extract will convey a distinct idea of his views. Speaking of the Union men of the South, or the original whigs, and the vigorous part they took in the contest, he says:

"Still they were Union men; but the Union they once knew was gone forever. They tried to begin where they left off, ignorant of the fact that while they fought a moral revolution has been going on in the North, that it was no longer Webster or Clay, but the man whom they had hanged at Charleston as a felon who was now the ideal leader of a regenerated nation."

These references are made to the utterances of the chairman, and of the clerk selected by him to accompany the committee, and make public impression of affairs in Mississippi, and the remedy to be applied, because it indicated fully to the undersigned that from the first it would be naturally impossible for them, with their ideas of constitutional duty, to subscribe to the deductions of those who, however intelligent or conscientious, started out upon the proposed investigation upon such a platform of ideas.

PRESIDENT GRANT'S ANIMOSITY AGAINST THE SOUTH.

While writing this report, the undersigned have read with surprise and regret the message of the President of the United States, dated July 31, 1876, transmitting to Congress certain correspondence relating to the murders lately committed at Hamburgh, in South Carolina.

In this message he has seen fit to use the following language:

"But recently a committee of the Senate of the United States visited the State of Mississippi to take testimony on the subject of frauds and violence in elections. Their report has not yet been made public, but I await its forthcoming with a feeling of confidence that it will fully sustain all that I have stated relating to fraud and violence in the State of Mississippi.

"U. S. GRANT."

In his letter of the 26th of July to Governor Chamberlain he had stated:

"Mississippi is governed to-day by officials chosen through fraud and violence, such as would scarcely be accredited to savages, much less to a civilized and Christian people."

This last statement, come it from whom it may, we pronounce, in the face of the testimony taken before this committee, and not yet printed, to be untrue and unwarranted by the facts disclosed.

The tone of animosity to the white people of the South, which breathes throughout the President's message and letter is unmistakable. In his message of July 31, six days subsequent to this letter, the President says: "The report [on Mississippi] has not yet been made public." Why should he anticipate?

We hold it, and we believe it will be so held by right-thinking men everywhere, discreditable for the Chief Magistrate thus to have exhibited such evidence of prejudice against any portion of his fellow-citizens.

It adds, however, but another proof to the many given heretofore that the heart and mind of President Grant are closed to all sense of justice where his political opponents, especially in the Southern States, are concerned.

Other attempts to forestall public opinion in relation to the affairs in Mississippi have been made, calculated to grossly mislead. Two attempts to fasten obloquy upon one of the undersigned [Mr. BAYARD], and at the same time to convey unjust impressions against the people of Mississippi, may be noted.

[*Special dispatch to the Baltimore Sun.*]

WASHINGTON, July 25.

THE REPUBLICAN REPORT IN MISSISSIPPI.

* * * * * *

"Another case illustrative of the general conclusions arrived at by the majority of the committee is that of a native of Philadelphia. He settled near Vicksburgh and was with his family. He had been appointed a justice of the peace by the Governor of the State, and his wife opened a school for the instruction of the poor. He was subsequently a candidate for office. On one night fifty armed men dashed upon his premises and shot him down without a word of warning, and in the presence of his wife and family. When the story of this wife was

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told by her own lips to the committee, Senator BAYARD, one of the committee, ejaculated, 'I don't believe it.'

"After the murder, according to the report, the assassins hovered about the house and would not permit the wife to enact even the rites of sepulture. They dragged the bleeding corpse from the arms of the distracted woman, pitched it into a pig-wallow, and then left. Senator BAYARD, affected by the narration, repeated, 'I won't believe it under oath.' The report says that these 'banditti—' for it states they compare with Italians of the same class—live upon the people. They are dissolute and indolent, generally the sons of planters impoverished by the war, or the remnant of that class of adventurers who fastened upon the institution of slavery as the camp-follower lives upon an army."

Mr. BAYARD never even saw the witness referred to, who was examined in his absence, and he never made any statement even similar in language or character to that falsely attributed to him. Yet this vicious falsehood has already had wide circulation.

In the New York *Times* of the 27th of July we find the following letter and preceding comments:

"Senator BOUTWELL has also received a letter from a colored witness who testified in Mississippi, from which it will be seen how the democracy of that State propose to treat those who obeyed the summons of the Senate Committee:

"'DEAR SIR: I having been summon before your investigationg to give a sworne testimony in regard to the late election, which I did, and I told nothing but the truth. Yesterday I was met by an armed mob in the streets of ————, and compelled me to say that I swore a —— —— lie. And told me I had either to say that I swore to a —— —— lie or leave the city or die. The excitement grew so intense that I was compell to take back what I said before the committee. I was also met by another mob at ——— the same day that I was before the committee and compelled to do the same before I got home. I w'd not be supprised if I were not mob before you receive this letter. If you read this letter where Senator BAYARD can hear it he will write down here and let these democrats know it, and I will be murdered as soon as I appear on the streets. Therefore it will be best for me for you to keep this to yourself and other republicans.'

"Of course every one who knows Senator BAYARD will smile at this suspicion, but it shows the state of terrorism still maintained by the banditti of Mississippi."

For what reason and with what intent this letter was so published may be inferred from the letter itself and the editorial use of it.

It will be observed that the committee were instructed by the resolution to inquire into alleged violations of the fifteenth amendment to the Constitution, and the necessity of new and appropriate legislation for its enforcement; and it would seem that the scope of the investigation was intended to have been confined to that object. But in the investigation conducted by the majority, nearly every right and power of the State of Mississippi, heretofore supposed to be among the reserved powers belonging to the States, and not justly subject to exterior control, has been made the subject of the most wide-spread, unrestrained inquiry. The social habits, domestsc institutions, personal and individual dealings and contracts, local police arrangements, and whole classes of subjects heretofore supposed to be under the sole control of the State and county governments, and even family affairs, have been made the subjects of inquisition.

The limitations upon the powers of Congress in its relation to the internal affairs of the States have been lately the subject of careful deliberation and adjudication by the Supreme Court of the United States in cases involving the validity of legislation by Congress in *pari materia* with that now proposed by the resolution.

THE SUPREME COURT ON THE POWERS OF CONGRESS.—THE ENFORCEMENT ACT NULL AND VOID.

In the recent case of the United States *vs.* Cruikshank, Mr. Chief Justice Waite delivered the opinion of the court, and said:

"We have in our political system a Government of the United States and a government of each of the sevaral States. Each one of these governments is distinct from the other, and each has citizens of its own, who owe it allegiance, and whose rights within its jurisdiction it must protect. The same person may be at the same time a citizen of the United States and a citizen of a State, but his rights of citizenship under one of these governments will be different from those he has under the other. (Slaughter-house cases, 16 Wallace, 74.)

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"Citizens are the members of the political community to which they belong. They are the people who compose the community, and who, in their associated capacity, have established or submitted themselves to the dominion of a go ernment for the promotion of their general welfare and the protection of their individual as well as their collective rights. In the formation of a government the people may confer upon it such powers as they choose. The government, when so formed may, and when called upon should, exercise all the powers it has for the protection of the rights of its citizens and the people within its jurisdiction, but it can exercise no other. The duty of a government to afford protection is limited always by the power it possesses for that purpose.

"The government thus established and defined is to some extent a government of the States in their political capacity. It is also for certain purposes a government of the people. Its powers are limited in number but not in degree. Within the scope of its powers, as enumerated and defined, it is supreme and above the States; but beyond, it has no existence. It was erected for special purposes and endowed with all the powers necessary for its own preservation and the accomplishment of the ends its people had in view. It can neither grant nor secure to its citizens any right or privilege not expressly or by implication placed under its jurisdiction.

"The people of the United States resident within any State are subject to two governments, one State and the other National; but there need be no conflict between the two. The powers which one possesses the other does not. They are established for different purposes and have separate jurisdictions. Together they make one whole and furnish the people of the United States with a complete government, ample for the protection of all their rights at home and abroad. It is the natural consequence of a citizenship which owes allegiance to two sovereignties and claims protection from both. The citizen cannot complain beeause he has voluntarily submitted himself to such a form of government. He owes allegiance to the two departments, so to speak, and within their respective spheres must pay the penalties which each exacts for disobedience to its laws. In return, he can demand protection from each within its own jurisdiction.

"The Government of the United States is one of delegated powers alone; its authority is defined and limited by the Constitution. All powers not granted to it by that instrument are reserved to the States or the people. No rights can be acquired under the Constitution or laws of the United States except such as the Government of the United States has the authority to grant or secure. All that cannot be so granted or secured are left under the protection of the States."

Then again:

"The third and eleventh counts are even more objectionable. They charge the intent to have been to deprive the citizens named, they being in Louisiana, 'of their respective several lives and liberty of person without due process of law.' This is nothing else than alleging a conspiracy to falsely imprison or murder citizens of the United States being within the territorial jurisdiction of the State of Louisiana. The rights of life and personal liberty are natural rights of man. 'To secure these rights,' says the Declaration of Independence, 'governments are instituted among men, deriving their just powers from the consent of the governed.' The very highest duty of the States when they entered into the Union under the Constitution was to protect all persons within their bounderies in the enjoyment of these 'inalienable rights with which they were endowed by their Creator.' Sovereignty for this purpose rests alone with the States. It is no more the duty or within the power of the United States to punish for a conspiracy to falsely imprison or murder within a State than it would be to punish for false imprisonment or murder itself.

"The fourteenth amendment prohibits a State from depriving any person of life, liberty or property, without due process of law, but this adds nothing to the rights of one citizen as against another. It simply furnishes an additional guarantee against any encroachment by the States upon the fundamental rights which belong to every citizen as a member of society."

THE FIFTEENTH AMENDMENT.

These propositions were unanimously laid down by the court, in considering alleged violations of the fourteenth amendment of the Constitution, but are equally applicable to the discussion of the relative powers and duties of the Federal and State Governments under any and all provisions of the Constitution.

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In the case of the United States *vs.* Reese, decided at the same time, the court says:

"Rights and immunities created by or dependent upon the Constitution of the United States can be protected by Congress. The form and the manner of the protection may be such as Congress, in the legitimate exercise of its legislative discretion, shall provide. These may be varied to meet the necessities of the particular rights to be protected.

"The fifteenth amendment does not confer the right of suffrage upon any one. It prevents the States, or the United States, however, from giving preference in this particular to one citizen of the United States over another on account of race, color, or previous condition of servitude. Before its adoption this could be done. It was as much within the power of a State to exclude citizens of the United States from voting on account of race, &c., as it was on account of age, property, or education. Now it is not. If citizens of one race, having certain qualifications, are permitted by law to vote, those of another, having the same qualifications, must be. Previous to this amendment there was no constitutional guarantee against this discrimination. Now, there is. It follows that the amendment has invested citizens of the United States with a new constitutional right, which is within the protecting power of Congress.

"That right is exemption from discrimination in the exercise of the elective franchise on account of race, color, or previous condition of servitude. This, under the express provisions of the second section of the amendment, Congress may enforce by 'appropriate legislation.'

"The power of Congress to legislate at all upon the subject of voting at State elections rests upon this amendment. The effect of article 1, section 4, of the Constitution, in respect to elections for Senators and Representatives, is not now under consideration. It has not been contended, nor can it be, that the amendment confers authority to impose penalties for every wrongful refusal to receive the vote of a qualified elector at State elections. It is only when the wrongful refusal at such an election is because of race, color, or previous condition of servitude that Congress can interfere and provide for its punishment.

* * * * * * * *

"The courts enforce the legislative will when ascertained, if within the constitutional grant of power. Within its legitimate sphere Congress is supreme and beyond the control of the courts, but if it steps outside of its constitutional limitations and attempts that which is beyond its reach, the courts are authorized to, and when called upon in due course of legal proceedings, must, annul its encroachments upon the reserved power of the States and the people.

* * * * * * * *

"We must, therefore, decide that Congress has not, as yet, provided by 'appropriate legislation,' for the punishment of the offense charged in the indictment, and that the Circuit Court properly sustained the demurrers and gave judgment for the defendants."

THE CONDITION OF MISSISSIPPI.

In subordination to the principles thus laid down by the authority of the tribunal of last resort in our country, the undersigned would have been disposed to confine their investigations to subjects plainly within the jurisdiction of Congress, without infringing upon any of the reserved rights of the State of Mississippi, believing it to be the cardinal feature of our institutions that the equality of the States in the Union must ever be respected, and that any practice which invades so necessary a principle must place in jeopardy not only the rights of a single State, but, in their turn, the rights of all the remaining States; and that a power which is conceded to be applicble to the overthrow of the autonomy of any one State is liable to be used for the destruction of any other State, and that there is no safety for any unless the rights of each are guarded.

The condition of the State of Mississippi is to be considered at three periods of time.

FIRST.—In the Spring of 1875, before the commencement of the political canvass, in which the alleged outrages upon the rights of citizens under the fifteenth amendment are said to have occurred;

SECOND.—Its condition during the election itself, on the 2d of November, 1875; and,

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THIRD.—Its condition as discovered by the committee at the time of their visit in June, 1876.

For a proper understanding of the entire case we propose to recite, by the light of the testimony and supported by its facts, what we believe to have been the true condition of Mississippi in the Spring of 1875. At the time of preparing this report, however, but a small part of the testimony has been printed; and although we trust to be enabled to insert the proper references before it is submitted, yet the absence of the printed testimony interferes materially with one of our objects, *i. e.*, to make no assertions, but to let the witnesses speak for themselves, and to substantiate every fact by reference to its basis.

It has been said by high authority that it was difficult to draw an indictment against a whole people. Equally difficult is it to establish any rules of evidence that would sustain so vague an indictment. And in the present inquisition it would become plain to all who shall read the depositions and observe the mode of interrogation employed that every rule which the experience of mankind has established as essential for the regulation of evidence and the ascertainment of truth has been disregarded in the course of this investigation. So that the great bulk of the testimony which has been taken is such as would not be received in any court of justice in this country to convict the meanest felon of the pettiest offense.

Every rule of evidence followed by courts in the administration of justice has been entirely disregarded. Every rule which experience has shown is essential for the elucidation of truth has been thrown aside, and opinion, hearsay, wild rumor, anything and all things which excitement, prejudice, hate, love, or fear can suggest, have been poured in without discrimination or check.

No individual, no community, can be safe against such an order of things.

The usual tests of discrimination between truth and falsehood having been abandoned, the result cannot be satifactory to any just mind.

The argument that the charge is vague and against a whole community only makes the effect worse.

When a false principle is adopted, the wider its application the more dangerous it becomes.

GOV. AEES ON THE WITNESS STAND.

This is observable in the examination from the first witness to the last. Adelbert Ames, the ex-Governor of Mississippi, who was called and examined on the 27th of April, and at page 29, on the third day of his examination, in which he had made the most wholesale and sweeping assertions of facts of violence and intimidation, was asked :

Q. You have referred to various acts of violence and intimidation; have you personal knowledge of any of those acts ? A. I never saw an act of violence performed.

Q. Did you ever see an act of intimidation performed ? A. No; I never saw an act of violence performed.

Q. Then what you have said is derived from the information of other people ? A. Yes, sir.

And on page 32—

Q. I ask you, do you know the fact whether there was any resistance to process, when issued, in that State ? A. That statement I have made; I would say that I do not know of any facts of that kind.

And again—

Q. Do you know of a case where process of the courts has been returned with that statement ? A. I do not.

In fact, if the testimony touching the subjects within the scope of the resolution of the Senate could be reduced to such as is receivable under the rules of evidence, as recognized by courts of justice and by this Senate while sitting as a court, the testimony taken in Mississippi by this committee would be confined to a dozen pages of manuscript. The rest is rumor, hearsay, and opinion. Not only so, but nearly all the witnesses examined for what may be termed the prosecution of the white people of the State of Mississippi were defeated candidates in the election of 1875 or other interested supporters or persons who had lost office and failed of re-appointment. Most of the witnesses, when pinned down by cross-examination to give names of persons concerned and dates, were directly and flatly contradicted as to those facts, and many of the occurrences either

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shown to have been not only untrue, but impossible, or else accompanied by facts which subjected them to a totally different construction.

ABSURD CHARGES BY IGNORANT NEGROES.

A large body of these witnesses were negroes of the most ignorant and uncivilized description, who did not hesitate to state anything, and whose declarations were frequently of the wildest and most absurd character.

The case of ———,* page ——, testifying of Mr. Preasley, the judge of election at Calhoun precinct, in Madison County, rudely taking tickets from colored men, tearing them up and throwing them on the ground in the sight of the witness, is denied by Judge Cunningham, the republican judge of election present on the occasion, by Preasley's own statement and that of several bystanders. (See page ——.) Witnesses thus set free to state anything and everything that malice could suggest, partisan animosity encourage, and ignorance assist, rendered it difficult to confute, by reason of the vagueness and uncertainty of their statements. The value of the testimony of Ann Hodge, colored, can be readily estimated, page 421:

By Mr. BAYARD:

Q. Did you ever take an oath? A. No, sir.

Q. Do you know the meaning of taking an oath? A. No, sir.

Q. Do you know the consequences of swearing falsely? A. No, sir.

In short, the proverbial difficulty of proving a negative was imposed upon the white people of Mississippi, who, by the ruling of the majority, were not suffered to be present even by their representatives while the testimony was being taken.

THE RULE OR RUIN POLICY OF CONGRESS AND CARPET-BAGGERS.

The reconstruction policy of Congress had fully and perfectly forced the institutions of the State of Mississippi into the most entire subjection and conformity with its provisions. What Mississippi was at the time of the last election of Governor Ames in 1873, she was "the work of reconstruction by Congress." The will of her people, their tastes, their prejudices, their virtues, and their faults, had been melted and run into a mold fashioned by the will of Congress alone. If her institutions were defective, if they were not conducive to the ends of good government, if they were arranged with an unwise disregard of the condition and wants of her people, that people are no more responsible than the population of France, for they had no voice. Such as she was in 1873 the Congress of the United States had made her. The State constitution was molded in accordance with the will of Congress. The legislation under it had been enacted by men placed in power by the Federal Government. The ruling principle of that legislation seems to have been to lead as much power as possible directly into the hands of the executive, in which the reins were placed. The institution of suffrage was of course the proposed basis, and to control this the machinery of elections was placed absolutely in the hands of the governor, who had the sole power to appoint those officers who in their turn had the power of appointment of the registrars of every county, who in their turn appointed the election officers throughout the State in their respective counties, and supervised the elections and returns, thus gathering the whole control of elections in a single executive hand.

This was the state of things when Governor Ames took his seat on the 1st day of January, 1874, elected in the month of November previous. There was not an official of the State who was not a member of the republican party. There was not a county official to be appointed by the governor who was not in close affinity with him. In all the republican counties, and all were republican in which negroes were in a majority, every official was a member of the same party. Thus we see that the entire control of the State was in the hands of Governor Ames and his party associates. At page 30 of his deposition the fact is stated by him as follows:

Q. You have stated the violence and intimidation to have existed in the republican counties of the State? A. Yes, sir.

Q. You have not referred to violence in any but republican counties? A. No. sir.

* The printed testimony having been withheld, the blank reference to the depositions of witnesses are necessarily left unfilled, which is owing to the sudden and unexpected appearance of the report of the majority before the testimony was even delivered to the printer.

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Q. Such is the fact, is it not? A. Yes, sir.

Q. Were not then all these justices of the peace, chancellors, the judiciary and the machinery for choosing juries, in the hands of the dominant party in those counties? A. Yes, sir.

Q. I need not ask you if all the United States officers in that State were not members of the republican party; that was so, was it not? A. Yes, sir.

Q. Then the grand juries and the petit juries, and the judges, and the sheriffs, and the supervisors, by whom the jurors were selected, were all controlled by the dominant party in those counties? A. They were all belonging to the dominant party.

Of course every official of the Federal Government, district judges, district attorneys, marshals, deputy marshals, supervisors, postmasters, revenue officers, were all of the same party, and necessarily active adherents. It may be truly said that there was no trace whatever of official power in the State of Mississippi in the hands of the democratic party until the 1st day of January, 1876.

SOCIAL, MORAL AND FINANCIAL CONDITION OF MISSISSIPPI UNDER AMES.

Now, let us consider into what a condition, social, moral and financial, Mississippi was brought in the Spring of 1875, under the administration which has just been described. The population of Mississippi, by the census of 1870, had a total of 827,922 souls. Of these 382,896 were white people, 444,201 colored people, and the remainder Indians and persons not classed. The State was divided into seventy-three counties. The negro majority was thus about sixty thousand, bnt was distributed chiefly in the rich river counties and on the richer cotton-producing lands of the State, in which they greatly outnumbered the white population, and in these counties their large numerical majority was consolidated.

The domestic institutions of the State had been completely revolutionized, and the relations of the white and black races had not been permitted to adjust themselves into that harmony and good feeling which the interests of both made so essential to happiness and good order. The whites, as the result of the war, were impoverished to a most painful extent, which must impress itself upon any person who visits the State, which presents even to a casual eye unmistakable evidences of wide-spread and lamentable prostration. This brings with it increased privation to the colored people, who never had property, and who depended, necessarily, upon property-owners for their support. When their employers were ruined the blow fell severely upon the employed. Theirs was a common lot, and that which struck down and crippled the one fell also heavily upon the other.

Unfortunately, the new and arbitrary political conditions imposed upon both races by the will of Congress were disturbed by the presence of a class of unscrupulous, needy, and rapacious adventurers, who came down to fill the political offices to which prejudice against the southern whites on the part of those who held power in the Federal Government and the absolute ignorance and incompetence of the negroes prevented those whites from being appointed. The result was, as the testimony everywhere discloses, that the State and Federal offices to which any considerable emolument was attached fell into the hands of white men newly arrived within the borders of the State, ignorant and unsympathetic of the wishes and feelings of the white population, and bent wholly upon using the political material which they found ready at their hands in the shape of masses of ignorant, superstitious, and suspicious negroes to sustain themselves in office and power. Instead of encouraging the colored population to relations of amity and confidence with the whites who gave them employment and furnished them with the means of subsistence, it has been plainly the object and intent of these political adventurers to increase the distrust between the races and to encourage on the part of the blacks and intensify the instinct and feeling of race opposition. In this by means of low arts they have been unhappily too successful, and the negroes of the State of Mississippi have been banded together in an unthinking mass, under the lead and blind control of a handful of northern strangers, with here and there a native white man.

Throughout the testimony it is evident the white people of Mississippi, in the interests of the entire community, made every attempt to penetrate this alliance against them, and resorted to every means of combination and alliance with their political opponents to procure even a tolerable and decent administration of public affairs. Since 1868 they had given up their party name and candidates, had voted for Dent, a republican, had voted for Alcorn, a republican, and essayed in every

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way to appease and mollify the party led by Governor Ames; but all in vain. They witnessed the selection of men either incompetent or criminal, or both, for important offices in the State. They saw their best men, most virtuous, experienced and able citizens, passed by in contempt.

GOV. AMES'S FRIENDS AND ADVISERS.

They saw men notoriously vicious, and justly proscribed, taken into the confidence and friendship of Ames and placed in authority. (See the case of William Gray, negro brigadier-general, page——, and his character described by a republican witness, Putnam, p——. Also, see Judge Shackleford, p. ——, W. A. Ferguson, p. ——; Judge John A. C. Watson, p. ——.)

Cardozo, the forging clerk of the Circuit Court and defrauding State superintendent of public instruction; Davenport, the negro forger and county clerk; O. P. Lee, white, aide-de-camp, defaulter, and red-handed murderer of two black committee-men; Morgan, the sheriff of Yazoo County, with the indictment for the murder of Hilliard, his republican predecessor and contestant, hanging over him; Davis, colored lieutenant-governor, the vender of pardons of any crime for money; these are specimens of the men whom he took to his confidence and made his political associates, and to complaints against whom he accorded such treatment, as in the case of the application to him by the mayor of the little town of Greenville, in Washington County, soliciting protection against repeated acts of incendiarism in which Brigadier-General Gray was implicated and subsequently indicted for arson. Governor Ames sending no reply to this supplication for protection, placed the letter in the hands of Gray himself, who flaunted it in triumph in the face of the citizens. (See deposition of William A. Ferguson, p ——.)

Invested with the power of selecting the entire judiciary of the State, the character of his appointments may be learned from the deposition of Judge John A. C. Watson, of Holly Springs, who at page —— testifies as follows:

Question. What class of men did General Ames call around him in his administration? A. He called around him, as a general thing, the very worst class of what we call "carpet-baggers." Most of them were newcomers into the State, without property, who relied upon politics as a trade and means of livelihood.

Q. Had they any knowledge of your people, of their habits and wants? A. None whatever; they came among us as strangers at the close of the war.

Q. With whom did that class of men affiliate? A. A great many of them affiliated mostly with the negroes.

Q. What was the feeling and course of action toward citizens of the Northern States who came here as men of fair character and as good citizens to settle in your midst? A. Upon the part of most of the citizens, especially of the better class, there was no indisposition to receive them, and a great many desired them to come; and when they came among us, as citizens engaging in some business, I believe any such man was received kindly and treated kindly; a great many of them, however, came among us, as I remarked before, and engaged in no business, but just went among negroes, the whole aim and purpose being to gain the confidence of the negroes and alienate them from the whites and their old masters; they carried this to such an extent that some of them would visit the negroes' houses and cabins, and meet them on terms of social equality; some would not go so far, but would mix up with them in politics; and the general aim of that class was to destroy the confidence of the negroes in the whites and in their old masters; I have heard men of this class on the stump, in addressing crowds of negroes, say everything they could to exasperate the then recently emancipated negroes against their old masters; I have heard them lay down this rule, "You must never follow your masters in politics; just watch them, and when they take one direction you take the other, and you will certainly be right."

THE NEGROES INCENSED AGAINST THE WHITES BY THE CARPET-BAGGERS.

Q. Was this the current course of advice to this class of men? A. So far as it fell under my observation, the general object was to convince them that their old masters were unalterably opposed to them, and they must look alone to the northern men for their protection.

Q. Was it from this class that General Ames drew his political associates and advisers? A. Yes, sir; he very soon threw off what he regarded as the better class of Republicans.

Q. Threw them off? A. Yes.

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Q. Was it thought that that led to the split of the Alcorn wing against the Ames? Yes; perhaps I might state a fact or two there; Alcorn came back and ran for Governor against Ames.

Q. What year? A. In 1873; during that canvass Alcorn on the stump denounced as thieves and swindlers the main supporters of General Ames; the speeches made by Governor Alcorn in that canvass were the most denunciatory I ever heard against the leading men of the Ames party.

Q. Were there other leading members of the republican party who took the same one as did Alcorn, in regard to the Ames administration? A. In 1873, not a great many. Ames had the confidence of the negroes, and Alcorn was not sustained by his own party, to any great extent, in 1873.

Q. How was it later, in 1875? A. Alcorn's strength continued to gain after that, and before 1875 the split was a very marked one. A great many had become followers of Alcorn and opposed to Ames.

Q. Was the feeling between the two wings, the Alcorn wing and the Ames wing, as great or greater than between the republicans and democrats? A. The feeling between these two wings of the republicans was just as bitter as could have existed. In my district the opposing candidates for Congress were Wells and Howe, and when the Wells party had a meeting they denounced Howe as a thief and falsifier, and applied to him every epithet they could invent, and when the Howe party came along they would apply the same epithets to the Wells party.

Q. Who is Howe? A. He had been a member of Congress from that district.

Q. Who was he? A. A northern man.

Q. Was he on the Ames side or the other? A. On the Ames side; Wells was for Alcorn. He is our present member of Congress. The collision between the two wings of the party had a great deal to do toward carrying that district against the republicans.

Q. It was charged in the public papers that the character of the officer under Ames'. administration was known to him, after which knowledge he continued to keep these men in office and consort with them politically? A. Well, sir, I cannot say what was the knowledge of Ames upon that subject, but these delinquencies and this misconduct was known to the public generally, and Ames still retained them in office and in his confidence, and the more they were abused and exposed the closer he seemed to adhere to them. It seemed to be rather a recommendation to him.

Q. Many of them were placed under indictment? A. A good many.

Q. By the grand juries of their counties? A. Yes.

Q. The grand jury, as a rule, was under the control of the republican party? A. Yes.

Q. After these indictments took place were the confidence and association of Governor Ames withdrawn from these people? A. As a general rule it was not. In Northeastern Mississippi Governor Ames appointed a man as chancellor by the name of Barton, with no intelligence as a lawyer and no standing at the bar. Moreover, he was charged with a flagrant act of forgery.

Q. Had he been indicted?

A. He had not; but Governor Ames was informed by gentlemen of high respectability, among others by our present Governor, who came from his vicinity, of the character of this man. Governor Ames refused to believe it, but had it been untrue and his moral character ever so good, he was not fit for the office; but Ames was blind to the truth, and did appoint Barton chancellor. When, however, his appointment was before the Senate for confirmation, the judiciary committee, to which it was referred, sent out for witnesses, and the proof was conclusive. I had been knowing to it. The gentleman upon whom the forgery was committed resided in my town and was my intimate personal friend; but Governor Ames did not withdraw his name until he was told by his friends that he could not possibly get him through the Senate. That was the only thing that checked him.

Q. Did this man ever exercise the functions of chancellor? A. O, yes, sir; he held several courts.

OFFICIAL IGNORANCE AND MISGOVERNMENT ONLY IN REPUBLICAN STRONGHOLDS.

In all these Republican strongholds in which turbulence and misgovernment are alleged to have existed, it is to be also noted that the entire local power was

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in Republican hands. Thus the supervisors of the counties, being in fact the county legislature, assessing taxes, contracting for supplies, controlling all public improvements, the schools, public buildings, roads, and having, in short, all local control, were almost without exception composed of negroes, few of whom were able to read or write, and scarcely one of whom was able to compute an ordinary sum in arithmetic. In some cases the highest mark of erudition was the capacity of the chairman mechanically to sign his name to a record which he was unable to read. (See deposition of ——— and deposition of ———.)

The justices of the peace, generally unable to write and frequently unable to read the contents of the process against person or property which they issued in the name of the law, delivered it to constables equally unfitted to understand the nature of the precept, or to attest their action under it. (See deposition of ———.)

Negro chancery clerks and clerks of the circuit court and courts of record were utterly unable personally to perform their duties, and intrusted everything to some white deputy. (See deposition of ———.)

The consequence of this local misgovernment is an increase of taxation amounting to confiscation, and is well expressed in the language of a petition to the Legislature by the tax-payers of the State, in January, 1875, from which we make the following extract:

"But probably the most flagrant evil of which the tax-payers complain, and the greatest outrages perpetrated on their rights, arise from the action of the boards of supervisors.

"This court is really the most important of any in the State, and should be composed of the very best men in the several counties. As a general rule, we are sorry to say, the members of this board are wholly unfit to discharge their duties, and are without respectability or accountability. This, however, is not the fault of the Legislature of the State, except in so far as it encourages such men to seek for that position. The county levies, in a large majority of the counties, are extravagant and oppressive beyond all endurance. The contracts for public work are made without economy or care, and with a reckless indifference to the interest of the public. These boards, in some instances, employ their own members to do the work not authorized by law, merely for the purpose of making them extravagant allowances. In many instances these members are wholly ignorant, and are completely under the control of the clerks and sheriffs of these counties, to whom they make extravagant allowances. This is a great evil, and we suggest that remedy which alone seems adequate. Legislation should be immediately enacted fixing the maximum rate of taxation at 50 per cent. on the State, beyond which they shall not go in any instance.

"These boards should also be prohibited from making any contracts, or allowances, or appropriations, except when there is money in the treasury to pay them. And every such order or warrant so made and ordered, when there is not money in the treasury sufficient to pay it, should be declared utterly null and void, and all persons concurring in making or issuing them be declared guilty of a misdemeanor in office, and punishable for such, as provided by law."

To this urgent and respectful appeal no response whatever was made. (See deposition of E. Barksdale, page 453.)

The ruinous effects of such a system of misgovernment upon the real estate and property which are subject to it is to be found in the testimony of Shackleford, a Republican ex-judge, at p.——.

So that not only is all immigration prevented, but the possibility of obtaining loans of money upon real estate for the purpose of improvement is destroyed.

INSOLENCE OF THE BLACKS—GOV. AMES WANTED MONEY.

The system of public schools seems to have been liberally maintained chiefly for the advancement of the blacks, but necessarily at the pecuniary cost of the whites, whose property mainly contributed from its burdens to sustain them. This, however, would not have been a subject of complaint, if there had been anything like equality of opportunities for the establishment of white schools, which were necessarily at the cost of white people.

An instance of the gross inequality and injustice of the action of these negro

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boards of supervisors, and the insolence and overbearing conduct of the members, is to be found in the case in Issaquena County. (See deposition of William A. Farrish, at p. ——.)

The choice of registrars and judges of election was such as made fair elections hopeless, as will be illustrated by the case of Warren County, which we shall consider hereafter in this report.

The Legislature of the State, under Governor Ames, contained a large majority of negroes, and was confessedly a venal body of men, in which the defeat of any measure of reform or the passage of any measure of iniquity could be cheaply procured by the use of money among the members. (See deposition of ——.)

As to the relation of Governor Ames to the white people of the State of Mississippi, it is best described by his own language, at pages 16 and 17 of the testimony, in which he says:

Question. When did you first go to Mississippi? Answer. I went there in 1867.

Q. In the Army, I believe? A. Yes, sir.

Q. When were you elected Senator? A. In 1870.

Q. Had you any intention to settle in Mississippi prior to your election? A. I will say not long previous to that; and permit me to say that I found when I was military governor there, that there was a black code existing, and that the negroes had no rights whatever; that they were not permitted to exercise any of the rights of citizenship. I had given them the protection they were entitled to under the Government of the United States, and I believed that I could render them great service. I felt that I had a mission to perform in their interest, and I hesitatingly consented to represent them and unite my fortune with theirs.

It will seem, therefore, by his own voluntary statement, that the white people of Mississippi were not those whom he proposed to represent, or with whom he desired "to unite his fortunes."

The next question, and the reply of Governor Ames, may perhaps be explanatory of his supposed "mission."

Q. You speak now in reference to the colored people of the State? A. Yes, sir; in reference to the colored people of that State; they were in the majority.

On page 19, he says:

"The question of how I can get money to live, is the one question with me."

Perhaps this was always the case with Governor Ames while he remained in Mississippi.

The natural consequences of a government so organized had become apparent prior to the adjournment of the legislature, which met in January, 1875, and adjourned about the end of March following. Incompetency, venality and misrule had borne their usual fruits. A government that inspired neither affection nor respect could necessarily rely only upon coercion and intimidation as a last and vain resort. The dissatisfaction and discontent of the people was not confined to the democratic party, but extended everywhere and among men of all parties.

REPUBLICAN DISSENSIONS BENEFIT THE WHITES.

The dissensions within the republican ranks were even more marked than among their silent adversaries, who had been totally deprived of official position and control in public affairs. Between one division of the republican party, led and represented by Governor Ames, and another, represented by Senator Alcorn, the breach became deep and widened daily. On either side individuals of that party arrayed themselves with their respective followers, and open and bitter denunciations, unsparing in their terms, were showered by each side upon the other. The split was open, positive, and would seem to have been irreconcilable. In his examination before the committee Gov. Ames classes Senator ALCORN, Governor Powers, McKee, ex-member of Congress, ex-Senator Pease, Morris, the attorney-general, State Senator Musgrove, WELLS, M. C., and Chancellor Storrs, as among the opponents to him and his administration. At page 22 he accuses Morris of having used his office for corrupt purposes, Musgrove of insincerity and dishonesty, Storrs of being thoroughly corrupt; at page 25, Pease of wilful falsehood and of being without ordinary intelligence. At page 26, murders are imputed to Senator ALCORN.

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On the other hand, George E. Harris, the ex-attorney-general of the State, in his letter to the President of the United States, dated the 24th of November, 1875, giving the reason for the democratic success in Mississippi, declares that it was—

"Due to the imbecility and base corruption of the State administration and a few adherents."

(See letter, page ——.)

He charges Ames—

"With cold indifference and of contracting his views and narrowing his circle of friends to a few confidential advisers, who were a close corporation of mercenary men who knew but little of the wants of the people of the State and cared less —men who have no identity of interest or sympathy in common with the people of the State."

He charges him—

"With the desire to control the judiciary as well as the executive department of the State; of resorting to the expediency of making appointments after vacation and then holding the appointments over them *in terrorem* until the next session of the Legislature, and if they did not please him in decrees, &c., he could withold their names, (as he did in one case,) thus making the judiciary of the State subservient to the executive, in violation of the constitution; and he actually removed Chancellor Dreman, as I believe, because, in a case of *habeas corpus*, he refused bail to the governor's friend, Morgan, (sheriff of Yazoo County,) on a charge of murder of one Hillard."

He charged him—

"With appointing men to judicial position who had never had a case in court, and were totally ignorant of the law and practice, and who did not know a plea in bar from a demurrer."

GATLING GUNS.

With such a division of feeling in regard to men and measures in the republican party in Mississippi with universal discontent among all classes of the people in regard to the condition of the State and its administration, they approached the canvass of 1875. Governor Ames was charged by Harris (see same letter before quoted) with using his power as executive of the State for the purpose of securing his election to the United States Senate, and there seems to be no doubt that such was the fact. As he, himself, has stated, he had "united his fortune with the colored people of the State, whom he believed to be in a majority." He was unlearned in law or the spirit of civil rule. Military methods and rigor were his only conception of government. He seemed greedy of political power without comprehending its responsibilities. He did not lessen his deficiencies by associating with men more learned in civil rule than himself, but, avoiding men of intelligence and character in the State, surrounded himself with obsequious and inferior associates. The characteristics and tastes of the people among whom he had gone as a stranger, and yet to be their ruler, he never studied nor cared to comprehend, nor to have understood the gentle wisdom of Fletcher of Saltoun: "That if a man were permitted to make all the ballads, he need not care who should make the laws of a people." He never gained their respect; but, by his self-seeking, his self-promotion to power and place and his use of public power for his personal ends, he entirely lost whatever he might have had of their respect. Thus, losing public respect, he lost public confidence, and instead of seeking by conciliation and methods of justice to regain it, he resolved to defy those who withheld it. The end of all his methods was simply force—the bayonet; that last and most cruel test of military fidelity, when the American soldier is called upon to use his arms against the American citizen. When he found the political knot was complicated, he set aside methods of reason and used the sword to cut it, because he was devoid of the skill or patience to untie it. Violence was the necessary end of such a rule as he conceived and sought to put in practice. The just end of government is the happiness of the people to be governed, and measures to promote popular happiness and content are the first and chief duties of a ruler. It would be a farce to term such a government as he conducted in the Spring of 1875 a free government, either for the white or for the black people. The colored population were as thoroughly enslaved to his will and to the handful of politicians whom he set over them as they ever could have been at the hands of their former private owners. In his testimony at page 15, citing his last message to the Legislature, he says he regards the whole affair as a race issue, in which he avowedly intended to take sides with the black race against the white, and to use

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all his power, personal, political and official, in their behalf. Thus, in the first year of his administration, in the Fall of 1874, in the case of a contest for the office of sheriff at Vicksburgh, in Warren County, he forced Flanagan, the white occupant, out of his seat by a company of United States troops, which he had demanded to be sent to him for that purpose from New Orleans. In 1875, when it became apparent that the democratic party was disposed to combine itself with all the elements of opposition to his administration, and make a strenuous effort to gain control of the State, Governor Ames made his first preparation in the Legislature for its defeat by the passage of a law known as the "Gatling-gun bill." This is described in the testimony of E. Barksdale, page ——:

Q. You spoke of the "Gatling-gun bill;" what was that? A. I have, I think a synopsis of the bill.

"Section 3 of the bill empowered the commander-in-chief to organize, from the enrolled militia, two regiments of ten companies each, and to purchase four or more Gatling guns, and organize a corps of select officers and men from the infantry to send with the said guns."

That was passed by the Legislature which assembled on the 1st of January, 1875. The date is not given.

Q. It was passed the spring before the election? A. Yes, sir; it was called the "Gatling-gun bill," because the purchase of four Gatling guns was authorized, and they were regarded as weapons of very terrible destructive qualities. The appropriation for carrying out the purpose of the Gatling-gun bill was $60,000; of this $5,000 were authorized to be expended for military supplies and munitions of war.

GOV. AMES'S MILITARY PREPARATIONS.

The next was his application to the Secretary of War at Washington for the State's quotum of arms. (See testimony, page ——, and the accompanying papers and applications of A. G. Packer, adjutant-general, organizing the State militia for active duty.)

A. While matters were in a condition of profound peace here, though these causes of discontent existed to which I have referred and which are stated in the tax-payers' memorial and in the resolutions of the republican club here in the city of Jackson, Governor Ames, after the passage of the law which was known as the "Gatling-gun bill," as if preparing for war here, addressed a letter to the Secretary of War inquiring about Mississippi's quota of arms. A copy of that letter I have here:

May 25, 1875.

SIR: By direction of his excellency A. Ames, governor of Mississippi, I have the honor to apply to you for the statement of arms and other military property issued to this State since 1860, under Act of Congress, April 23, 1808, and the Acts amendatory thereto.

A communication from the Ordnance Office, Washington, D. C., has been received, in which the State of Mississippi is charged, under the provisions of an act approved March 3, 1875. with the sum $17J,167.31, and a balance due the United States is claimed of $1,967.60.

The records of this office do not show the amounts of the apportionment for the different years, and having no data to furnish, I respectfully apply to you to furnish it.

Very respectfully, your obedient servant,

A. G. PACKER, *Adjutant-General.*

The Hon. SECRETARY OF WAR,
Washington, D. C.

That was a letter written on the 25th of May, 1875.

On the 2d of June, before the political canvass, Governor Ames addressed a letter to General Benet, chief of the Ordnance Department, as follows:

JUNE 2, 1875.

SIR: I have the honor to respectfully apply for a price-list of ordnance and ordnance stores as issued from your office; also a book of forms used in the Department, if any change has been made since the publication of the regulations, 1863.

Very respectfully, your obedient servant,

A. G. PACKER, *Adjutant-General.*

Brigadier-General S. V. BENET,
Chief of Ordnance, Washington, D. C.

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Q. What do you know of any military preparation made by Governor Ames early in the canvass, and prior to the occurrence of any of these disturbances? A. As I have stated, and cited the letters showing he was making military preparations. Then I have an order book, issued from the headquarters State of Mississippi, adjutant-general's office, Jackson, May 1, 1875, announcing officers of the Mississippi State militia, during the months of February, March and April, 1875.

NEGRO MILITIA THREATENED THE SLAUGHTER OF THE WHITES.

The State militia having been thus organized preparatory for the campaign, and the officials being among the most notorious and unscrupulous partisans, black and white, of the State administration, great alarm was created among the white population. The negro companies, officered by negroes, largely predominated, and threats were freely made by their orators that the slaughter of the whites would be completed from the cradle up, if necessary for their success. (Speech of Brigadier-General Gray, reported in testimony of W. A. Ferguson at page ——; also testimony of Mr. Putnam, page ——.)

As a consequence, rumors flew thick and fast. The preparation of the governor and his arming of the negro militia were onevery tongue, and caused the deepest distress and apprehension among all classes who sought to preserve the peace in the State and friendly relations between the two races. That such rumors were exaggerated there can be no doubt, for it was the interest of the Ames party and of the negroes to make proclamation of an organization and power which they knew they did not possess. The effect was to increase the insolence and insubordination of the blacks and intensify the discontent and the apprehensions of the whites. The arms to be furnished by Governor Ames were at the expense of the State, and the whites were left to their private resources to obtain arms necessary, as they believed, for their self-defense. A feeling of excitement was engendered that grew each day in force. Intimidation was thus openly proposed, and proposed to men not likely to be intimidated and totally misunderstood in their course by the men who were assuming to rule them. Thus it seems that violence, bloodshed, and force, as the only arbiter of the election, were first suggested in a time of profound peace in the State of Mississippi, by Governor Ames, and his political associates. (See page 334, deposition of Frank Johnston; page 472, deposition of E. Barksdale.) The practice of carrying arms in Mississippi among all classes is almost universal, and there were but few witnesses who appeared before the committee who were not so equipped—one, a Mr. Chisholm, a leading republican of Kemper County, promptly producding his weapon for inspection of the committee, and the justices of the peace and constables declaring that it was a part of their official costume.

It was testified that after the war the desire to obtain arms among the negroes was almost universal, and that the sales of weapons to them, especially of shotguns, was very much in excess of what it was to the whites.

Not only were the white people of Mississippi threatened with the organization and use of the armed negro militia in the coming election, but the armed forces of the Government of the United States were held in terror over them for a like purpose. Mr. Warner, chairman of the Republican State executive committee, states that, immediately upon the holding of the republican State convention at Jackson, in 1875, a resolution was adopted vesting him with an authority to appoint a committee, with himself as chairman, to visit Washington and call upon the President for armed aid to the republican party in the ensuing canvass, which resolution, and the action of the committee under it, shows the character of the campaign which they intended should be waged in that State. It may be here mentioned that the prevalent idea among the negroes and the handful of whites who led them in Mississippi seems to be that the Federal Administration will at all times exert its armed authority for the purpose of retaining them in office; and it was in the hopes of such intervention that the application referred to was made, and which, as we believe, has largely promoted and induced the complaints which led to the constitution of this committee. The experience of prior elections had been favorable to this belief.

THE CAMPAIGN OF 1875.

The democratic conservative party of Mississippi, in the platform adopted at

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their State convention on the 3d of August, 1875, contained the following propositions:

"FIRST. The recognition of civil and political equality of all men as established by the Constitution of the United States and the amendments thereto.

"SECOND. Favoring the education of all the children of the State in public school, sustained by adequate taxation; but opposition to extravagance or partisan administration of said schools."

The thirteenth cordially invites the voters of all the people of both races to unite vigorously with them in the approaching canvass. (See page —— of testimony.) It was by this convention that the democratic executive committee was organized, and J. Z. George appointed as chairman.

Thus opened the campaign of 1875. It is in proof, by almost every witness who was examined on the subject, that the negroes were organized in clubs, having a quasi-military organization in every county in the State. Clubs, also, of white people were formed, and the parading and marching, with the use of flags, drums, music, cannon for salutes or the explosion of anvils—a rude substitute for cannon—became general throughout the State.

Much of the alleged intimidation of the colored people by the white population was claimed to be from causes like these, which could only have operated upon minds of the most childish character, and would be ridiculed if proposed with the same intent in any part of the Northern States, This constitutional timidity of the colored population was frequently and gravely urged as entering into alleged violations of the fifteenth amendment by white men, who fired off pistols in the air and exploded anvils at night on their return from meetings through the country.

Perhaps the best proof that can be offered of the real intent and spirit with which the democratic and conservative canvass was organized and conducted will be found in the telegraphic correspondence between Mr. George, the chairman of the executive committee, and his party associates throughout the State, who communicated with him during the canvass. This correspondence, although not referred to by any witness, nor in any way supposed to be connected with the subjects to be inquired of by the committee, was, by the order of the committee and against the formal and recorded protest of the undersigned, made public for the purpose of sustaining the charges of lawlessness and outrage against the democratic party of Mississippi. Mr. George had not been made a witness; none of the parties who were his correspondents had been made witnesses; but the whole correspondence was seized and produced in bulk before the committee, and is to be found on pages 380 to 420 of the testimony.

Let it be borne in mind that these communications were all supposed by the writers to be confidential, and that their contents would never be made public.

It will be difficult for any mind, however prejudiced, to construe any portion of this telegraphic correspondence so as to favor the suspicion that lawlessness of any kind was looked to as an element for the success of the democratic party in that canvass. From first to last there is nothing but what is creditable to Mr. George and his democratic correspondents as honorable, peaceful, and law abiding citizens. We do not believe it will be possible to torture any of these dispatches into any other meaning. The demonstration of General Ames in organizing the negro militia, the openly expressed intention and threat of bringing Federal troops into the State to control the election, no doubt operated to create a corresponding antagonism and bitterness, and suggested that it should be met by force. The "race issues," which Governor Ames has recognized, and upon one side of which he so promptly and vigorously ranged himself with all his official powers, were undoubtedly aggravated and intensified. Collisions were constantly threatened, and yet few, remarkably few, under all the circumstances, occurred.

SHOULD AN ENTIRE PEOPLE BE CONDEMNED FOR THE CRIMES OF A FEW GUILTY MEN?

In endeavoring now to give a reliable account of the acts of violence and bloodshed which were proven before the committee as having occurred in Mississippi during the Summer and Autumn of 1875, we deem it hardly necessary to make expression of the intense and hearty reprobation which we, in common with all men who respect and value law and order and humanity, necessarily felt, and now feel, upon every occasion where violence and crime were committed. Stern repression and prompt punishment are the just measures to be dealt out to all such offenders,

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without respect to race or color or station in life, and for all such criminals and transgressors we invoke due punishment at the hands of those who are the representatives of the Government whose laws need vindication. But while we propose in every proven case to condemn the guilty, we do not propose to allow reasonable proof to be replaced by reckless and malicious assertion or rumor; nor do we propose to condemn a whole community upon the testimony of men, confessedly without character, who live upon slanders and trade upon abuse instigated, as many of such characters were who appeared before the committee, by a miserable faction, whose hope of prolonged plunder and self-enrichment lies in keeping up a condition of public excitement and fanning the prejudices and hatreds of illy-informed citizens of the North against the white people of the South. We confidentially believe that when knowledge of the truth as it is, and sad though it may be in many respects, of the state of affairs in Mississippi, shall possess the minds of the people of the Northern States, the occupation of the miserable class of slanderers to whom we have referred will be gone forever. It is for this reason that we sincerely deprecate such utterances as are contained in the speech of the honorable Senator from Indiana, [Mr. MORTON,] and delivered in the Senate by him, when urging the adoption of the resolution by which this committee was authorized. No fact stated by that honorable Senator was upon his personal knowledge, and the source from which he obtained his assumed facts was disclosed by the deposition of Captain Fisher, to be found at page 533.

By Mr. BAYARD:

Question. Is not that a copy of Mr. MORTON'S speech that you have there? Answer. Yes, sir.

Q. Didn't you furnish these extracts to him? A. I furnished some of them.

SENATOR MORTON'S SPEECH, AND WHO HELPED TO COMPILE THE EXTRACTS IN IT.

Q. I observe, in reply to a question put to you, first in respect to the Clinton riot, and next in regard to certain questions in reference to the taxation of the State, that you consulted a pamphlet; have you it? A. Yes, sir. [Witness hands pamphlet to Senator BAYARD.]

Q. This purports to be a speech delivered by Mr. MORTON in the United States Senate in January, 1876. A. Yes, sir.

Q. I suppose when you read the extract from the *Raymond Gazette* you obtained it from that speech? A. Yes, sir.

Q. And you looked for information in regard to the taxation of the State to the statement in that speech? A. Yes, sir.

Q. You read your testimony from what you found there? A. I refreshed my recollection on a few points from what I found there.

Q. Did you or did you not read from that speech when you gave your answer? A. I did, sir.

Q. Did you or did you not read from that speech when you were questioned in regard to the proceedings of the Clinton riot, and the number of persons killed at that time? A. No, sir; I did not. I endeavored to find a paragraph taken from the *Forest Register*, in which it stated the number killed at Clinton—the *Forest Register* is a democratic paper—but I do not find the paragraph.

Q. Did you, as a matter of fact, make that political compilation in there from the democratic press of Mississippi? A. I assisted in that compilation.

Q. Who assisted you? A. Well, sir, there were extracts furnished by different gentlemen.

Q. Name those parties? A. Judge Alcorn assisted in a portion of the compilation.

Q. That is Mr. Robert J. Alcorn? A. Yes, sir.

Q. Where did you prepare them? Where were you at that time? A. I was in this city.

Q. Were they prepared in this city? A. O yes, sir.

Q. To whom did you furnish them? A. Well, sir, they were furnished to Senator MORTON.

Q. At his request? A. I was requested to furnish to Senator MORTON all the evidence that I could obtain showing the character of the election and of the canvass in Mississippi last fall. I told him that I should be very glad to do that,

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and tha I might be able to furnish some extracts showing the temper of the press, which he said he would be very glad to receive. And I proceeded to do so; and a portion of what you see here is the result of that labor.

Q. Did you see him personally and furnish these to him at his request? A. Yes, sir; I did.

Thus it will be seen that, while being examined as a witness, Captain Fisher based his replies upon the speech made by the honorable Senator; and yet he admits that he himself had furnished to the honorable Senator the statements contained in that speech; that he had not personal knowledge himself, but that the speech was prepared in the city of Washington from the newspaper-clippings which he, Fisher, as the editor of a partisan paper, had made from time to time in the State of Mississippi. Thus, if Mr. MORTON quotes Fisher and Fisher quotes MORTON, the combined authority of the two can be no greater than that of either, and either and both rest entirely upon mere hearsay and information for the assertions which are dignified by the utterance of a Senator in Congress.

POLITICAL BRAWLS.

During the canvass that preceded the election of November 2, 1875, there were four political disturbances ending in the loss of human life and bloodshed, in regard to which much testimony has been taken by the committee, and which have mainly served as the basis for the wholesale accusations against the white people of Mississippi with which the public press and the ears of the northern people have been industriously filled.

I. A riot at Vicksburg, on the occasion of the celebration of the 5th of July, (the 4th of July happening on Sunday).

II. The riot of Yazoo City on the 1st of September.

III. The riot of Clinton on the 4th of September; and

IV. Friar's Point on the 9th of October.

In regard to the Friar's Point riot, there is no testimony whatever except what is contained in the statement of Governor Ames, at page 26, and of Senator Alcorn, at page 67. Governor Ames charges Senator ALCORN with being personally responsible for these occurrences. This he does upon the information of others, not having been personally present; but Mr. Alcorn, who was personally present, gives in full the history of his participation as a leader in that whole affair, and divests it entirely of such political significance as is referred to in the resolution appointing the committee.

He testifies that the difficulty originated in the party schism between his adherents and those of Governor Ames, in which the democratic party, or, what is the same thing, the white people of Mississippi, had no share. He states, at page 69, the cause of the riot, which was, his personal difference with John Brown the negro sheriff, and the organization by Brown of a large body of armed negroes, several hundred in number, well armed, and approaching the town of Friar's Point, threatening to sack and burn it.

Mr. Alcorn organized a force, and with his "double-barreled shot-gun" headed the defense. The negroes were dispered at first by the forces of Alcorn without loss of life or wounds on either side; but the murder by the negroes of a respectable young white man, by the name of Scott, who was innocently attending to his business and taking no part in the trouble, led to a retaliation by the Alcorn party, and he sums up, at page 71, the result of the conflict:

Two white men assasinated by the negroes, one other shot himself accidentally, and nine colored men killed by the Alcorn party.

Deplorable and dreadful as the occurrence seems to have been, and public as it was, and well known to Governor Ames, who has furnished the committee with Brown's communication to him on the subject, (and which are to be found at page 20 of the documentary evidence attached to the testimony,) yet no action seems ever to have been taken by any of the civil authorities of Mississippi to vindicate the law, and, so far as the testimony of Senator ALCORN discloses, no member of the democratic party was concerned in the transaction. Whatever may be the lawless and dreadful character of this collision, it is proved beyond doubt to have been disconnected with any trouble growing out of the democratic-conservatic organization of Mississippi. It should not be forgotten that Senator ALCORN is a strenuous republican and ally of General Grant's administration, and that the democratic party of Mississippi have no more determined opponent.

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THE RIOT AT VICKSBURG.

The riot at Vicksburg on the 5th of July is stated by every witness who has been examined to have been entirely unpremeditated. The colored people met at the court-house on the morning of that day for the performance of patriotic exercises. Among the audience was Cardozo, the negro superintendent of education, and who was also to have been one of the speakers on that occasion. He was the editor and proprietor of a newspaper published in Jackson, in which, it seems, he had assailed Judge Cowan, a citizen of the county. Judge Cowan and Cardozo met at the railway station at Vicksburg on the morning of the 5th. An altercation took place between them by reason of the scurrilous article by Cardozo, and a collision ensued. Cardozo was assisted by a white man named ———, and with his aid, the attack of Cowan was foiled and Cardozo got off in safety and reached the court-house and took his place in the meeting. A few young men, supposed to have been friends of Cowan, followed him to renew the conflict, and finding there ———, who had interfered between them at the depot, an encounter took place in which ——— was shot by some one unknown to any witness who testified.

The testimony discloses that but a single shot was fired in the building, which resulted in the wounding of ———, who has since absconded from the State. After the shooting of ——— the meeting, composed chiefly of colored people, scattered in great confusion. Shots were fired over their heads, one of which struck an old colored man who was on the sidewalk, not concerned in the meeting, and caused his death. The indignation of the men who had sought Cardozo continued; search was made for him, but he was secreted in an upper portion of the building and finally managed to escape unhurt. The mayor of the town, Dr. Leary, appeared promptly on the scene and soon brought everything to order. The riot had its origin in the personal encounter between Judge Cowan and Cardozo, had no feature of political intent, and the loss of life was confined to the old colored man, who was shot accidentally by some unknown person. The person who was wounded in the court-house was proven to be a very disreputable man, and was either a bar-keeper or the partner of a negro who kept a low drinking house. He having absconded, no proceedings have been taken against the person who shot him, nor is it known whether his wound is dangerous or not. The disturbance of this innocent and peaceable assembly was undoubtedly outrageous, and deserves the greatest reprobation; but it is impossible to believe that it was in any way or degree connected with party politics. It was a gross breach of the peace, which should have been promptly arrested, as it was, and severely punished by the civil authorities, as it was not.

THE AFFRAY AT YAZOO CITY

took place at a club meeting of the republican party held at Bedwell's hall on the 1st of September, 1875, to which members of all parties were invited. The speaker was A. T. Morgan, the sheriff, and a candidate for re-election, who says:

"There were present, perhaps, half a dozen white republicans and fifty colored, and perhaps half a dozen or more democrats."

An altercation took place, growing out of some remark of the speaker which was rudely contradicted by some one in the audience; pistols were drawn and fired, and the hall was soon emptied; the result of the melee being the killing of Mr. B. R. Mitchell, a white man, and the wounding of Foote, a colored man.

This was the beginning and the end of the riot in the hall; but the condition of feeling which probably gave rise to the riot did not end with that affray. Yazoo County contained an overwhelming majority of colored people. Its government, judges, clerks, sheriff, supervisors, justices of the peace, constables, juries—grand and petit—prosecuting officers—all were in the hands of the republican party. Mr. Morgan, who was one of the chief actors on this occasion, was the autocrat of his party in that county. He held the office of sheriff at one time, and was a candidate for re-election. He appeared in Washington before the committee to assail his political opponents in Mississippi. Mr. Morgan has been in Washington, employed, as he says, as a claim agent for several months. He was in communication with a majority of the committee for weeks prior to their departure for Mississippi. His testimony could readily have been then taken, and some opportunity thus afforded for calling witnesses in reply, but he was withheld until the return of the committee to Washington, and exam-

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ined at the very close of their sessions. He stated, that he went to Mississippi at the close of the war, rented lands, and commenced planting, but from various causes failed and was sold out, and became insolvent; that he was received with the greatest possible kindness on every hand upon his first coming, but soon lost his popularity with the white people, to whom he became exceedingly obnoxious. He omitted to inform the committee that he had married a colored woman, which fact was stated by Dixon and Foote, colored witnesses, and his political associates. Upon his failure in business he immediately embarked in politics, and has thoroughly controlled the county ever since. Attorney-General Harris, in his letter hereinbefore cited, classes him among the disreputable associates of Governor Ames, and says that, when a State Senator, he offered to sell his vote for $2,000; that Raymond, the State printer, refused to pay it, saying that he had already paid him $900, and that was enough for that vote. Morgan was also chairman of the late Republican State convention.

The marriage, to which we have alluded, and his evil repute, encouraged a political association named Hilliard, and a former sheriff, to run against him for the nomination of sheriff. The convention nominated Morgan; but Hilliard bolted and ran for the office, calling to his aid whatever opposition he could muster. At the end of the election in 1874, Hilliard, being in office, refused to give it up to Morgan, except upon terms to which Morgan refused to accede, and claimed that Morgan had not qualified according to law. Morgan proposed to take possession of the office by force of arms, and did so, and killed Hilliard, who resisted him, and with his party friends shot other adherents of Hilliard. This riot, occuring at the court-house, involved none but members of the republican party. (See deposition of Foote, page ——.) Those who were killed and those who killed them were alike republicans. No democrat was concerned in it; but the friends of the murdered man caused the arrest of Morgan, who was committed without bail, waiving any hearing before the committing magistrate. He immediately, however, sued out a writ of *habeas corpus* before Chancellor Dreman, who, after a hearing of five days, refused to discharge him on bail, and recommitted him to prison. Morgan was then, at his own request, removed to the penitentiary at Jackson. He was, as his correspondence with Governor Ames shows, (see pages 102 and 103 of the documentary evidence,) on terms of close personal and political intimacy with Ames, and, according to the letter of Harris, the attorney-general, Ames removed Dreman because he refused to bail his friend Morgan, and appointed Walton chancellor in place of Dreman, who thereupon proceeded to hear the application of Morgan for a discharge, and discharged him on a recognizance of $5,000. Morgan re-appeared in Yazoo City, obtained possession of his office, and, having political control of the county, no indictment was found against him or any of his friends for the murder of Hilliard or the shooting of Hilliard's friends, until the county passed into the democratic hands by the result of the election of 1875, when an indictment for murder was found against him by a grand jury, from which indictment he is to-day a fugitive in the city of Washington, and appears as a witness before the committee of the Senate to assail the community whose laws he has outraged. That Morgan killed Hilliard must have been found by Chancellor Dreman when he refused, after a hearing of five days, to discharge him on bail, and the testimony of Foote (see page ——) testifies to the same fact. How far the condition of feeling which led to the riot in Yazoo City on the 1st of September, 1875, had been brought about by the lawless action and defiance of all order by Morgan himself and his political associates is not easy to determine; but that he was himself a gross trangressor there can be no manner of doubt, and that such a man would never be permitted to obtain or retain office in the Northern States we believe to be equally true. The weight of the testimony of such a witness we submit to just public consideration.

THE CLINTON RIOT

was productive of more public excitement than the three other riots which we have described. It has been the subject of more exaggerated statement than all the other three combined, and the facts attending it can now be stated with a reasonable degree of certainty. A political meeting, at which a barbecue was to be had, was called at Clinton, a village on the Vicksburg Railroad, about twelve miles west of Jackson, the capital of the State. To give celebrity to the occasion, Governor Ames and other leading members of his party were announced to be speakers, and, by an arrangement, democratic speakers were also

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invited and a portion of the time for discussion allotted to each. It was intended to be a grand demonstration on the part of the republicans, who attended in large numbers, estimated at from eighteen hundred to twenty-five hundred, of whom upward of twelve hundred were men. The whites were a mere handful, by the best informed witnesses supposed to be from sixty to seventy-five, republicans and democrats.

The number of white men who participated in the fight that ensued was probably from ten to fifteen. The parade of the republicans, composed wholly of colored men, was unusually large and carefully arranged. Eight hundred and ninety mounted colored men were counted by Captain Montgomery in the procession, (see his testimony, page 543)—

NUMBER OF WHITES AT CLINTON MEETING.

Q. How many white people do you suppose were present at the Clinton meeting—at the original meeting? A. At the barbecue?

Q. At the barbecue. A. I think not over twenty-five or thirty; thirty at the outside.

NUMBER OF COLORED PEOPLE AT CLINTON MEETING.

Q. How many colored people? A. I counted eight hundred men in line—cavalry.

Q. Besides that, how many? A. Besides that, there were, I reckon, four hundred or five hundred on foot, besides women and children. I don't know, but I reckon there was a crowd of two or three thousand altogether.

Q. You went up to be one of the speakers, but did not speak? A. Yes, sir; I did not speak.

Q. You were entirely unarmed? A. Entirely so——

while companies on foot to the number of many hundred were counted by the same witness. Many, perhaps the majority of these men on foot and horseback were armed, and this procession, so formed, moved out of its necessary line of march to the place of barbecue, and paraded through the town of Clinton. The place of speaking was on a hill just outside of the town, and near the railway station. The speaking was commenced by Judge Johnston, a democrat, in a very temperate and conciliatory speech, as described by every witness who was examined. He was followed by Captain Fisher, a republican; and during the remarks of Fisher a collision took place between a young white man and a colored man, about one hundred yards from the speaker's stand.

Comments had been made upon Fisher's remarks, and rude contradictions of their truth by one young white man named Neal, from the town of Raymond, standing in a group of two or three of his companions not many feet from the speaker's stand; but Captain Fisher, in his testimony, (see page 536)—

Q. Was your speech interrupted by the shooting or disturbance that occurred, or were you interrupted by remarks made? A. I do not know that any remarks were made to me; if there were I did not hear them.

Q. We have had a great deal of testimony about the Clinton affair, and the witnesses were not certain, when you were speaking, whether you heard these interruptions noticed by men standing by, and I thought I would ask you whether you heard them or not. A. I heard, subsequently to the riot, when I got home, that such expressions had been made in regard to portions of my speech, or as having reference to myself; but I did not hear them, and if I had heard them I should not likely have paid any attention to them——

distinctly says that he did not hear these remarks, nor was his speech interrupted by anything that was said in the crowd, but that the interruption to his speech arose from the affray between the white and the colored men to which we have referred; that the white man in question had a bottle of whisky, from which he had been drinking, and which, no doubt, was the proximate cause of the affray that then took place. Immediately upon the collision between these two, a pistol shot was heard, and there is conflict of testimony as to the person who fired it. It was immediately followed by a general discharge of fire-arms, and in the mêlée, which caused intense confusion, two colored men were killed on the spot and four or five were wounded. The negroes were rallied and commenced pursuit of

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the whites, who, in a group numbering about eleven men, retreated from the field.

Martin Sivley and Thompson, white men, were overtaken, killed, and their bodies mutilated. Thompson was found in the public road, nearly a mile from the scene of action, shot through the head. Charles Chilton was killed in his own yard, and, as it appears by the testimony of Captain Montgomery, (page 543)——

ABOUT THE WHITE MEN KILLED.

Q. Did you know any of them? A. No, sir; I did not know any of them.

Q. Black men or white men? A. They were black men that I saw there, just lying there, and we afterward found the body of Mr. Sivley and Mr. Thompson and Mr. Chilton. Mr. Chilton was shot right near his house–the very man I had taken dinner with, and there was not a more quiet, inoffensive man in our county. It was Charles Chilton, the brother of John Chilton, who had before that been an active republican, and a leading republican of the native Mississippians of our county; and at that riot he threw up the sponge; he said he had given $100 in money and in beef, and the heart's best blood of his brother that day, and he was done.

Q. By whom was his brother killed? A. By the negroes.

Q. How far from the original scene of the riot? A. Right at his own gate he was shot; that was one hundred yards, I suppose.

Q. Was he in the fray? A. No, sir. There was such a stampede and rush that the negro men were riding and running over their women and children; and there was such confusion and hallooing that he ran out to his gate. He carried his gun with him, though, which was very natural; and he handed his gun to a negro boy standing by him, and said, "Take this." Now, that is the way the thing was told me. He was standing there helping the women and the children into his yard to get them out of the way of the stampede and of the horses, and as he turned his back some of the men in the road fired and shot him. After finding that there was no armed body on the top of the hill, and several men from the town began to assemble—but before that time the negroes had gone off in companies, and they seemed to be assembling, and I thought we had better make for the depot and get possession of that, and send for assistance to some other point to help us; for I thought it was very likely that there were not white men enough there to hold the town against the negroes, should they be disposed to attack it, which we did——

was endeavoring to let the black women and children into his yard to escape the press of the crowd behind them, when he was shot. Captain White was shot, stabbed, and left for dead. Rice, Wells, Wharton and Robinson, white men, were all wounded, with others whose names are not obtainable.

EXCITEMENT AND CONFUSION.

The excitement of the scene and consequent confusion created the wildest and most variant rumors. The negroes were reported as massing at a short distance from the town, proposing to attack and destroy it. Their declarations and cries during the conflict had been of an alarming character, and spread great dismay among the citizens. Instantly the telegraph was put in requisition, and bodies of men at Vicksburg, Jackson, and Edward's Station hastily met together, armed with every variety of weapon, and, taking the train, reached Clinton on the evening of Saturday after the riot had occurred and the negroes had left the town.

A hasty attempt at organization was made by the election of Captain William A. Montgomery to the command of this unorganized and hastily collected force to the amount of several hundred. Captain Montgomery testifies (see page ——) that he immediately caused a mounted patrol, led by him in person, to make a circuit of the town and ascertain whether any immediate attack from the negroes was to be apprehended. He discovered no one, and no shot was given or returned between his party and the colored men, nor was there any collision or disturbance whatever. He returned to Clinton, where the white men had collected under arms, and finding a want of subordination among them, he resigned his position as commander, because he would not take the responsibility of preserving the peace without having the power to do so. This is much to be regretted, for by the testimony of all witnesses who have made any reference to Captain Montgomery, as well as by his own testimony before the committee, he is evidently a man of high and cool courage, of generosity and integrity of character.

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Thus left without a leader and deeply excited by the events of the day, infuriated by the murder and mutilation of their white friends, mob-law soon became triumphant among the whites collected at Clinton. The white men killed are shown to have been estimable and popular citizens. Chilton met his death while endeavoring to protect the colored women and children, and had handed his gun to a colored man in his employ at the time he received his death-wound. At page 543, Chilton is proven to have sent provisions down to aid the colored people in their barbecue. Martin Sively had no connection with the commencement of the affray. The number of wounded whites was unknown, and was doubtless enormously exaggerated. As a consequence, the more violent and lawless of the men who had collected under arms obtained the ascendancy. They visited the homes of the negroes in the vicinity of Clinton, who, they had been informed, had been connected with the affray and the killing of their friends, and outrageously took the lives of seven or eight of these men. It was a reign of terror and lynch law in that neighborhood from late on Saturday night until Sunday morning. After that time no distinctly authenticated case of murder growing out of the Clinton riot was established before the committee.

THE MURDER OF W. P. HAFFA.

This, we believe, comprises a list of the public disorders prior to the election in relation to which testimony has been taken by the committee. There are other cases of homicide and violence, to which we shall hereafter refer. The murder of William P. Haffa, a white man, as detailed by his wife, at page 483, and by the testimony of Captain Montgomery, at page 547, occurred on the 6th of September.

This murder of Haffa seems to have been an atrocious crime, and two important acts appear in the testimony of his widow and daughter, (see pages 483–490,) one of which is the failure in public duty, which cost Haffa his damages in a civil suit against two parties named Bush, who had assaulted him—was that of Lake, a republican United States official at Jackson, (see page 487); and, secondly, that the names of the persons who murdered her husband are well known and given, and that she went to Governor Ames with her sad story.

Why, may it be asked, did not Governor Ames order the arrest and the trial of one or all of the murderers? The only notice he seems to have taken of Mrs. Haffa was a very moderate subscription, to the more liberal one already made by Captain Montgomery, a democrat.

Mr. Haffa would not appear to have been altogether the blameless citizen described (naturally) by his widow.

Captain W. N. Montgomery testifies, at pages 547, 548, as follows:

It was about that time that Haffa's death was reported.

Q. State what you know about that. A. I don't know anything about it of my own knowledge. I knew Mr Haffa.

Q. Who was he? A. He was a man that was from Chicago, brought there by Dr. Robinnett, for the purpose of working on his farm, some seven or eight years ago. I got twenty at the same time myself.

Q. Twenty what? A. Twenty laborers from Chicago at the same time—white men; and, by the way, the last one of them ran off and stole all my mules, and I lost every cent that I made. This man Haffa was one of them that Dr. Robinnett got. He worked about three days with Dr. Robinnett, and then went to William Bush's and hired himself to a negro man who was renting from William Bush. After living there two or three weeks and doing a good deal of mischief, Mr. Bush and some others went over there and took him out and gave him a flogging, and Bush was up before the United States Court, but the suit was dismissed. This flogging placed Haffa in a position to get office from the negroes, and at the next election he was elected to the Legislature. He was then a magistrate, and had been for several years teaching school there. I know nothing about him except what the neighbors there said. He was a very bad man, I judge, from everything that was said about him.

EFFECT OF THE CLINTON AND YAZOO RIOTS.

The result of the Clinton riot and the affray at Yazoo City had the effect of aggravating the excitement and feeling between the two races. Instead of causing the law to be respected by a prompt and vigorous use of its powers, it would not appear that Governor Ames and his State administration took any of those steps which under a government of laws a ruler should have taken to punish the offend-

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ers and prevent the recurrence of wrong. We have not been able to ascertain that a prosecution was ever set on foot against any one connected with these riots, or any attempt whatever made to apprehend and punish any of the wrong-doers. On the contrary, it would appear from the order-book of Governor Ames, which was produced before the committee, (see testimony of E. Barksdale, p. 468,) that his favorite and only remedy—the bayonet— was looked to by Governor Ames. On the 24th of September a circular letter was addressed by Ames to the republican sheriffs of certain counties in the following words:

"SEPTEMBER 24.

"SIR: I am directed by his Excellency the Governor to inquire if any militia organizations are needed in your county to assist the civil officers?

"Are there any threats from the opposition, that, in your judgment, will be carried into effect; and if so, will it be possible to hold a quiet and peaceable election?"

It will be observed that this letter was not in response to any application for aid, and had evidently not been preceded by reports from any quarters of violence, either actual or apprehended. Governor Ames was plainly seeking for information that would justify, or rather give him the pretext for the use of armed militia. He inquires "if" there were threats from the opposition, and whether, in the opinion of his agents, such threats would be carried into effect; and "if so" whether a peaceable election would be held. Nothing could more strongly show the temper and intent of Governor Ames than this spontaneous, unsuggested solicitation of opinion from his partisan sheriffs, for no such inquiry was directed to any but his political confidants.

The answers to these circulars do not appear, but the suggestion no doubt was accepted and produced the desired results. The negroes were thus informed that they were to receive armed protection, and that they were to be armed themselves for political purposes.

In a speech made by the colored brigadier-general, Gray, when he returned to Washington County after an interview with Governor Ames, to which allusion has been made, the announcement was publicly made by him that Governor Ames was to give the colored militia arms to secure the election; and such no doubt was the information given in other parts of the State.

In pursuance of this policy of intimidation and violence we find, on the 6th and 7th of October, special orders published by the adjutant-general, which clearly explain themselves:

[Special Orders No. 10.]

OCTOBER 6, '5.

Brigadier-General William F. Fitzgerald, fifth division Mississippi State militia, will order Captain W. C. Mosely's Company D, Second Regiment Infantry, Hinds County State militia, stationed at Edwards's Depot, as soon as arms and ammunition are distributed to them, to report at Jackson, Mississippi.

By order of the Commander-in-Chief.

A. G. PACKER, *Adjutant-General.*

[Special Orders No. 7.]

OCTOBER 7, '5

Lieutenant-Colonel O. L. Lee, aid-de-camp on the staff of the Commander-in-Chief, is hereby ordered to proceed to New Orleans, Louisiana, to make any and all arrangements with the N. O. A. L. & C. R. R. Co. for transportation of troops and supplies of the Mississippi State militia.

A. G. PACKER, *Adjutant-General.*

And also the following correspondence:

OCTOBER 4.

DEAR SIR:—I am directed by his Excellency the Governor to inquire if it is possible for us to obtain cars for transportation of (300) three hundred men, and equipage for two hundred more. The equipage will require a box-car. The time for using the train to be fixed at a day within the next two weeks. Train to run from Jackson, Mississippi, to Vaughn's Station, and to remain under orders until the men are returned to Jackson.

Very respectfully,

A. G. PACKER, *Adjutant-General.*

E. D. FROST,
General-Manager N. O. A. L. & C. R. R., New Orleans, Louisiana.

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OCTOBER 4.

SIR:—Yours of the 3d ultimo received. General orders are issued for the militia of the State to enter active service; your offer will receive due consideration.

Very respectfully,

A. G. PACKER, *Adjutant-General.*

W. R. STEWART, Esq.,
Kirkwood, Mississippi.

OCTOBER 1.

SIR:—Can you furnish five thousand (5,000) rations of pork or bacon and bread under the authority granted by the Secretary of War for the militia of this State?

If possible, ship immediately to William Nooman, superintendent State Penitentiary.

Very respectfully, your obedient servant,

A. G. PACKER, *Adjutant-General.*

The COMMISSARY OF SUBSISTENCE,
Department of the Gulf, New Orleans, Louisiana.

SEPTEMBER 2.

SIR:—I am directed by his Excellency the Governor to transmit the inclosed duplicate requisitions for ordnance and ordnance stores on the quota of the State of Mississippi.

I have the honor to be, very respectfully, your obedient servant,

A. G. PACKER, *Adjutant-General.*

Brigadier-General S. V. BENET,
Chief of Ordnance, Washington, D. C.

SEPTEMBER 27, '5.

D. APPLETON & Co.,
Broadway, New York, N. Y.:

At what price will you furnish one hundred copies Upton's Infantry Tactics and ten sets of copies of the three different arms? Answer.

A. G. PACKER,
Adjutant-General, Mississippi.

SEPTEMBER 27, '5.

Brigadier-General S. V. BENÉT,
Chief of Ordnance, Washington, D. C.:

Can you furnish fifteen hundred haversacks on our quota? At what price? Please answer.

A. G. PACKER,
Adjutant-General, Mississippi.

Can there be any doubt of the object and intent of this correspondence?

WAR-LIKE PREPARATIONS.

These warlike preparations, so made by the Governor of the State, were not only known to the citizens, but created in the minds of the colored population the belief that all the powers of the State were to be arrayed in behalf of their political party, and brought on the whites the conviction that they were to be placed not only in great danger of losing their political liberties, but also their lives and those of their families. The condition of feeling created by such a belief cannot be justly estimated and considered in the calm security of a committee-room as in the seclusion of a country home where a planter resides, far distant from any white neighbor, too far for the cry for help to reach any friendly ear, and knows that he is surrounded and fearfully outnumbered by men of a different and antagonized race, a race which, while possessing many amiable and placid virtues, is yet highly animal in its organization, and, once becoming infuriated, will, as history has shown, be capable of brutal excesses which their reasoning powers are entirely unequal to control.

As a result of Ames' threatened organization and arming of the black militia,

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the threats of the blacks multiplied. Their habit of meeting was always at night, surrounded by the mystery of darkness and the refusal to allow white people to take part in their assemblies, page 547 :

THE STATE MILITIA.

Question. Was there apprehension in the minds of the white people in Mississippi, growing out of the organization of the negro militia by Governor Ames? Answer. Yes, sir ; a very grave apprehension. This militia was organized some time after the Clinton riot. These companies that were at Clinton that ran off from the scene of action, the most conspicuous members of the Clinton riot, were taken to Jackson and were organized into military companies by Governor Ames, and guns placed in their hands and sent back to their homes. They said they were afraid to go back ; but those who were afraid to go back had taken a very active part in the riot, and in staying away they induced others to stay, because they knew that if they should go in that capacity the Governor would be pretty apt to put them in military companies, and they would go back home with their guns, draw the pay of $16 a month, which was just as good as they could do at work at home ; and of course quite a number of the most ruffianly fellows were organized into this militia, and they came down to our place.

Q. Now, as a fact, in your county were the white companies that you speak of, such as you commanded, organized subsequent to the negro organizations you have spoken of? A. Yes, sir ; we never thought of organizing until we found the negroes organized and drilling at night for some purpose which we could not tell, as no white man could get in among them. They were drilling and were organized all over the county before any movement took place on the part of the whites.

Their political consolidation is shown by every witness to have been complete, and that so organized they were wholly and helplessly in the hands of the few white adventurers who were their absolute political owners. On this point see the testimony of Mr. Walton, the present United States attorney for Mississippi, at pages 49–50.

ORGANIZATION OF THE BLACKS.

Question. What is the nature of the organization, so far as you know, among the colored people? Answer. Well, sir, it is one of those cases which, in my judgment, arises always out of the existence of a class of people who are ignorant and who are comparatively helpless in the presence of a much more powerful body of people who, although they may not be stronger in point of numbers, are stronger in point of force and intelligence. The negroes consequently herd together. They do so publicly, and they do so more especially in secret. That is to say, there is a silent organization, existing not professedly as an organization, but existing still, in point of fact, everywhere that I have ever been, which prevents the intercourse between the two races from being candid and free.

NO MUTUAL CONFIDENCE BETWEEN THE RACES POSSIBLE.

I am, myself, very well acquainted with negroes; I have always been in the habit of dealing with them a great deal; I have always worked a good many of them; and I must say that my intercourse with them has been of a character to make me believe it impossible for anything like mutual confidence on political questions to arise between the white people and the negroes. I don't see how it ever can arise, and I do not believe, myself, that it ever will. I think this is due to the enormous gulf between the races in all social relations—that confidence which springs from personal friendships and an unrestrained social intercourse being, in my judgment, an essential cement to a political party, and being absolutely out of the question, between the white and black races.

Q. You speak of an organization among the negroes; what do you mean by that; that they are organized in bands, under the command of any particular persons, or that they are associated together from the fact that they are of the same race and community of interests, or both? A. They are not organized in bands.

Q. Or in companies, under officers, and having a general head? A. Well, in the first place, they have their clubs, just as any other political organization has its clubs. I have never been inside of one of their clubs, but then they never have asked me, though the clubs were republican in their name, and republican, I suppose, in their character. They have generally acted in such a way as to leave

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me to believe that they did not want my presence there. Although they are quite near my house, I have entirely abstained from going there. And when the county conventions would meet, I have observed that the negroes in these conventions very strongly resisted white influence, and consequently it became disagreeable, inasmuch as there was such disposition, to the white people to have anything to do with these conventions. It became unpleasant personally, and it produced an impression which it was hard to avoid. I have always found it practically impossible for me to avoid it—the impression that these meetings meant nothing but the organization of one race against another. The truth is that a white man, especially a southern white man, belonging to the republican party, does not seem to be any more acceptable as one of their counselors or advisers than one who belongs to the opposition. Although my connection with the republican party has been undeviating, and I believe I have escaped from any personal reproach in that connection, I am quite certain that my personal influence with the negroes is not a bit greater than that of any democrat in my county; not a particle. I am quite certain that I was never able to influence a vote or influence a colored man on any single question of politics; which I confess with some mortification.

GOV. AMES INCITING ANTAGONISM.

Governor Ames seemed disposed to fan the flames of excitement and antagonism to their utmost height. As an illustration of this it was desired to transport some arms and munitions of war from Jackson to Edward's Station, between which points a railroad was in operation; but Governor Ames sent these arms, convoyed by a negro militia company fully armed, in command of Caldwell, a colored State senator, to march through the country with drums and flags and all the pomp of war, having no other result than to intensify the alarm already existing. (See Barksdale's testimony, page 472.)

The result of such a course of action was made manifest all over the State wherever the negroes existed in superior or approximate numbers to the whites. The citizens of Canton, in Madison County, turned out and picketed their town for weeks at night before the election.

White men were afraid to let their families remain in their houses in the country.

GOV. AMES ALARMED.

The apprehensions of both races thus excited grew to fever heat, and a condition of affairs absolutely alarming to the stoutest hearts prevailed all over the State of Mississippi, and at last penetrated the mind of Governor Ames himself. His plans had worked but too well. He had conjured up a spirit of despair and anxiety upon the part of the unhappy people over whom he had been placed in rule which threatened to wrap that State in flame and blood. It was no thanks to him or his advisers that this result was not reached at the time or preceding the election in November, 1875. From every quarter evidences reached him of this state of affairs. He had never conciliated the people. He had never sought to learn how far concession, and justice, and kindness, and sympathy, and a recognition of their tastes, prejudices, and habits would go toward procuring good government among a people. He threatened to restore Morgan, the sheriff of Yazoo County, to his place by force of armed militia; and the troubles in that county, which lead to the killing of several colored republican leaders, the demoralization of the republican forces, and their practical abandonment of the canvass, are directly traceable to the threat of an armed military expedition organized by Ames to replace Morgan by force in the sheriff's office, then held by another white republican.

The arming of the citizens of Yazoo County, their organization into companies, under the lead of their most conservative and respected citizens, in some of which white republicans were enrolled, was for the avowed purpose of resisting the approach of the colored militia of Ames, intending by force to replace Morgan, the slayer of Hilliard, in the office of sheriff. When once a condition of desperation and excitement has been created in any community, it is in vain to look for the rule of peace and law. The perturbing force that breaks down one law or the law destined for the protection of one man or one class of men in a community necessarily levels all law. It is like a fire which consumes all in its path. When, therefore, responsibility is to be affixed, shall we seek the cause or content ourselves with describing consequences only? Governor Ames had either ignorantly or willfully, built up a condition of animosity and antagonism

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between the white and colored people of the State of Mississippi dangerous to the safety and peace of both, until excitement had usurped the place of reason, and force, with its remedies, had in some few localities taken the place of law.

There is no evidence that Governor Ames sought to exercise any of the civil powers intrusted to him for the pacification of these disordered localities. As usual, his recourse was had to the armed power of the Federal Government, and his correspondence with the Attorney-General and Secretary of War are well known to the Senate and the country. Failing in establishing, and being unwilling to allege, that condition of affairs within the State of Mississippi which alone under the Constitution of the United States authorizes the armed intervention of the Federal Government, the scruples of the President and his legal adviser, Mr. Pierrepont, withheld troops from the aid of the republican party in Mississippi.

THE GOVERNOR APPEALS TO GRANT—AN AGENT OF ATTORNEY-GENERAL PIERREPONT PROCEEDS SOUTH.

At page 2 of Governor Ames's testimony he testifies as follows :

" In view of that state of affairs I applied to the President of the United States for the protection of the United States, which was not granted. Subsequently, the Attorney-General, I presume at the suggestion of the President, sent an agent and two detectives at my request."

We may pause here to consider this new feature in American government. There is no such power known to the Constitution or laws of the United States as the employment by the Attorney-General of the United States of detectives to inquire into and report the police condition of an entire State. The governor of the State confessed by his application that there was no one capable and sufficiently reliable to judge of and report upon the true condition of affairs in his own State ; and three men, entire strangers to the people of Mississippi, were sent among them to examine and report whether a state of affairs existed which would authorize the interposition of the Federal Government by force of arms in the local disorders of that State. What possible authority can be urged for this attempted delegation of the highest discretionary power vested in the executive of a State ?

About the 9th or 10th of October, Mr. Chase arrived in Mississippi, and took up his abode in the gubernatorial mansion with Mr. Ames. He has been examined as a witness before the committee, and his testimony will be found at page —. Whatever may be the opinions of the irregularity of his mission and its want of constitutional or legal warrant, all well-meaning men will concur in a sentiment of satisfaction that he was sent. He states that he found the State of Mississippi in a state of profound and dangerous excitement, the two races armed, ready and liable to collision at any moment, the State administration totally without influence or power to restrain the passions of either side. He discovered that the Governor of the State had not even a personal acqnaintance with the leading and most influential white citizens who were leaders of the democratic and conservative organization, and his first effort was to bring them into amicable council and personal acquaintance with each other. (See page ——.)

A CONFERENCE—AN AGREEMENT.

The result of his offices was to produce an agreement anomalous in American history and highly suggestive of the state of affairs into which Governor Ames's maladministration had brought the State of Mississippi. There was a committee of the leading white citizens of Hinds and some of the adjoining counties held on the 16th of October, 1875, to whom Mr. J. Z. George and others, who had just had an interview on the subject of political affairs with Governor Ames, stated the result of such interview, that he had received information that it would be agreeable to his excellency Governor Ames to have a conference with some of the citizens of the State in relation to the present condition of affairs, and in accordance therewith he had arranged for an intrrview, which had just taken place. The citizens attending were Joshua Green, D. Shelton, E. Richardson, J. W. Robinson, H. Hilzheim, T. J. Wharton, Frank Johnston, J. C. Rietti, Robert L. Saunders, General Robert Lowry, W. L. Nugent, and J. Z. George.

The interview had been full and frank on the part of the citizens and the governor, and the governor announced to the committee, that in consequence of Colonel A. T. Morgan's refusal to go back to Yazoo County, he had abandoned

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the purpose of sending him there with two companies of militia, one white and one colored, which had been his original purpose, and that he had also countermanded an order for guns to be shipped to De Soto County.

After this a conference ensued between the citizens and the governor in relation to the disbanding of the militia. The citizens, in response to fears expressed by the governor that peace and good order would not be preserved, and that colored men would not be permitted to vote as they pleased, assured the governor that there was no other desire among the whites than that peace should be preserved, the laws enforced, and a fair election had; that the leading whites had all along inculcated this; and they also assured the governor that they would, pursue this course until the election, and would, both by precept and example do all in their power to preserve peace and good order and secure a fair election.

The governor said his whole object in calling out the milita was to preserve order and suppress disturbances; that he was originally opposed to arming the militia, and under all the circumstances as he deemed it, was forced to do so; that in view of the statement of citizens he was willing to meet their views as far as he could, and to this end he promised that he would order all the militia companies which had been organized to disperse and go to their homes with their arms. But on further consultation it was agreed that the arms of the several companies organized should be deposited in depots in the neighborhood in which the companies were raised, and should there be guarded by United States troops to be detailed for that purpose, and to be under the control of the governor, and to be removed only by his orders; or, if United States troops could not be gotten, then the arms were to be guarded by men selected and agreed on by the governor and Mr. George; that the arms should not again be delivered to the militia except in case of riot or insurrection which could not be suppressed by the civil authorities. The citizens above named expressed themselves satisfied with the arrangement. After this report and some discussion, the following resolution was adopted:

"*Resolved*, That the foregoing citizens and also the following additional gentlemen, to wit, Messrs. William A. Montgomery, E. W. Cabinis, T. C. Catchings, George G. Manlove, A. M. Harlow, Colonel Gilbrath. Dr. Moore, and Judge Chester, be requested to go to Governor Ames and tender the thanks of the meeting for what he has done, and represent to him that it would be better and more satisfactory if he would agree that all the arms should be guarded in Jackson."

The committee waited on Governor Ames, and he declined making any change of the arrangement which had been agreed upon between him and the citizens. He was asked if arrangements with the citizens included the idea that no more militia would be organized. He answered, "that nothing was said on that subject expressly, but it was his purpose and intention to organize no more."

The committee returned to the meeting and made report of the second interview, and what was done was deemed satisfactory, and the meeting then adjourned, after requesting the report of the interviewers with the governor to be reduced to writing and made public.

The effect of this agreement or, as it has been constantly termed by the witnesses, "treaty of peace," was highly favorable to a better condition of things, and did much to allay the excitement and political antagonisms which were so rife at that period. Some of the results of this conciliatory course were shown by the nomination of joint committees by the two parties in several of the counties upon the fair basis of compromise and good government. Men of character, republicans and democrats, were thus placed upon the same ticket in Madison County and in other counties, and, as a consequence, no further collisions of a serious nature took place during the remainder of the campaign and including the day of election. The election day itself was marked by an absence of even the usual personal collisions which take place in almost in every community in the United States when party excitement runs high.

THE ELECTION FREE FROM INTIMIDATION.

An answer to the general allegation that voters were intimidiated from casting their votes, is to be found in the pregnant fact that the republican vote in the State of Mississippi in 1875 was within 3,291 of the vote polled at the last preceding general election in 1873. (See election tables in the testimony of Governor Ames at pages 37 and 38, and documentary evidence of the committee, page 144.) The combined vote of Ames and ALCORN for governor, in 1873 (see page 138 of documentary evidence) was 126,378, and the total vote of both parties in 1875 was 155,886, showing an increased total vote throughout the State of 29,508.

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It is abundantly established that for the first time since 1868 the democratic conservative party was perfectly united, and thoroughly and well organized, and conducted their campaign with an unprecedented interest and vigor. The republicans, on the other hand, were, as we have shown, disorganized and discouraged by schisms in their party, many of them, black and white, thoroughly disgusted with the conduct of their rulers, and, to use the language of Judge Harris heretofore cited, were convinced of the "imbecility and base corruption of the State administration and a few adherents."

There can be no doubt also that a considerable and encouraging inroad was made in the heretofore impenetrable phalanx of the colored vote, a considerable portion of which was cast for the democratic ticket in Hinds County, the official residence of Governor Ames himself, as well as in many other counties, which reasonably and fully accounts for the increase in the democratic vote and the changes. Increase and changes in vote even more remarkable can be found in the election returns of the States of Massachusetts, New York, and Indiana, not to mention other States, in the election of 1874.

ASSAULT UPON THE GOVERNOR'S MANSION.—THE ATTEMPT TO FIRE IT.

At pages —— will be found the depositions of several colored men who were employed as watchmen around the governor's mansion for weeks before the election. Their statement as to the firing upon the mansion is not only disproved by Ames himself, (see page ——,) but is incredible from the fact that no pane of glass was broken by alleged bullets, nor does any mark appear upon the exterior of the mansion, nor was any one hurt at any time.

Mr. Barksdale, at page 475, disposes of this ridiculous charge.

Q. Some witnesses have been before this committee—colored men—who have stated that the governor's mansion has been an object of attack, and I would like to state to you here what Governor Ames said on the subject:

Q. (By the CHAIRMAN.) Did you, at any time, receive threats or intimations of bodily harm to yourself? A. As I stated yesterday, no attempt has ever been made to intimidate me personally. Of course no person ever came to me and said that if I did thus and so, certain consequences would follow; but the mansion where I lived was fired into.

Q. (By Mr. BAYARD.) At what time? A. Just previous to the election.

Q. (By the CHAIRMAN.) During the day or at night? A. This was at night. I may say, however, that I did not, at that time consider myself in any personal danger; I did not think that they could well afford to assassinate me. I thought it would be too great a political blunder, so I really had no feeling of that kind; but since then I have been informed that the thing was seriously considered. People were seen firing into my mansion, and the trees were cut. There is a bullet-hole or two in various parts of the mansion.

Q. This testimony, some of it at least, referred to the democratic conservative meeting which was held here, in the city of Jackson, on the 27th of October, just before the election. A. Well, I will state that previous to that meeting, when it was known there would be a great crowd of persons, inspired by the enthusiasm of the canvass, when there would be banners, music, and all that sort of paraphernalia which gives interest to a political canvass, and it was determined by the democratic authorities that no device, no flag, no banner, and no thing should appear in that procession, or in the proceedings, in any way to cast ridicule or wound the sensibilities of Governor Ames.

A treaty of peace had been established, as it was called, between him and the democratic authorities, and it was felt that it was due to him that there should be no exhibition of that sort.

DEMOCRATS WATCHFUL THAT NO INDIGNITY SHOULD BE OFFERED TO THE GOVERNOR.

The consequences was, that we were especially watchful that no indignity should be offered to Governor Ames during that meeting or by the procession on the march.

Upon that principle, on the occasion to which reference is made, I myself was anxious to see to it that no indignity should be offered to the governor, no hostile demonstrations of any kind, whether firing of guns or pistols, or making even jesting remarks, and I took a position, before the head of the column reached the mansion, directly in front of the office, that I might see what might occur. I remained there until the procession had passed.

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I do solemnly aver that if any pistol was fired, or remark made reflecting upon the governor, or offering indignity to him, I did not see it, and I was in a position to hear and see whatever occurred, certainly.

As to the perforation of trees there by bullets, I suppose it could be verified by an examination, but I certainly heard no pistols. I took that position directly opposite the governor's mansion in order to see that the pledge of peace which had been made should be fulfilled and that no indignity should be offered to the governor, because we desired the agreement should be carried out.

Q. How far is the office where you were to the gubernatorial mansion? A. About two hundred and fifty yards.

Q. You were near enough to hear any firing or any disturbance? A. Yes, sir.

Q. Were you constantly at your office during the next night and for a couple of weeks preceding the election? A. I was occasionally, not constantly—frequently. Of course it is not my habit to remain, except on such occasions.

Q. Were you aware that for twenty days prior to the election, and two days afterward—I believe it embraced that—that Governor Ames had colored men stationed around his house as guards, inside of his fence?

A. I will say, personally I was not aware of it, but I heard it so stated.

NEVER HEARD ANY FIRING.

Q. Did you ever hear evidence, or have any knowledge or information, that there was constant firing at night toward the mansion during those twenty days.

A. No, sir; I never did. I am quite sure I should have heard it. I will remark that there is a police constantly on duty at all hours of the night on the streets to arrest any disturbance of that sort or anything of that kind.

INTERFERENCE WITH VOTERS.

Some of the testimony tended to prove that in some cases colored men were deceived or cajoled into voting the democratic ticket.

There is nothing in any part of the testimony to prove any obstruction to the voter "on account of his race, color, or previous condition of servitude," but in every case the objection was to the party ticket he proposed to vote; to the color of his political prejudices, and not to the "color" of his skin referred to in the fifteenth amendment.

The white people earnestly sought to induce the colored people to vote, and to vote the same way they did. To this end they held public meetings, made numberless speeches, appealed to their colored fellow-citizens in every conceivable manner that they should vote, and vote with them for the common interest of all.

To justify any legislation by Congress to enforce the fifteenth amendment, the obstruction of the "right to vote" must be for the sole reason of race, or color, or previous condition, &c., and there is no power in Congress to interfere for any other cause whatever. There is not from the beginning to the end of this testimony a single case of the obstruction of a voter because he was a colored man.

In every case of alleged unlawful interference with the right of suffrage, it was because the voter was in opposition to the political sympathies and wishes of the person interfering.

Intimidation and violence are almost as frequently alleged toward white men as colored men, and perhaps the bitterest opposition was proven toward the former class.

Yet it cannot be said that the race or color of these whites induced other whites to "deny and abridge" their right of suffrage.

The testimony of many witnesses, white and black, proved the gross intimidation of colored people by other colored people. Now, this was not on account of race or color, but for the same reason which caused all other intimidation and interference in the State—*i. e.*, opposition to the voter's political views and actions—not because he was a colored man, but because he was voting in opposition.

The Supreme Court of the United States distinctly say, in the opinion we have already cited:

"The fifteenth amendment did not confer the right of suffrage upon any one." It gave to the Congress the power to guarantee its exercise in case it should be denied or abridged on account of race or color or previous condition.

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If the right to vote be denied or abridged for some other cause, the State, and not the United States, must exercise its protecting power over the citizen and remedy his wrong.

If a colored man be driven from the polls because he comes up with a republican ticket, and when he returns with a democratic ticket is welcomed and assisted to vote, there can be no doubt but his "right to vote" (which means, of course, to vote according to his free will) has been abridged; but not having been abridged because of his race or color, but because of his political views, the power and duty to remedy the wrong he has sustained are, according to the decision of the Supreme Court, in the laws of the State where he resides, and not in the United States.

Holding this proposition to be true, then the testimony overwhelmingly establishes the fact that negro voters were welcomed into the democratic ranks and every effort made to procure them.

If negroes were intimidated, it was not because they were negroes, but because of their obnoxious political views.

As a necessary consequence, it follows that Congress has no power under the fifteenth amendment to the Constitution to punish any invasion, however gross and reprehensible, of personal rights of suffrage which is not based upon the particular cause of the race, or color, or previous condition, &c., of the party injured.

Having thus stated the limitations upon the power of Congress, which a respect for the Constitution of our Government and to the decisions of its highest judicial tribunal has dictated, we cannot refrain from an expression of our abhorrence and hearty reprobation of every act of lawless and so often brutal interference with the rights of citizenship, which were related by witnesses in our presence.

Prosperity and happiness can never thrive in a community where such scenes of violence can be enacted without condign punishment. By a law higher than man's the "wages of sin is death," and it will be vain for the people of Mississippi to look for the advancement of their State to that position in the ranks of wealth, influence, and reputation which those who love her would desire to see her occupy, until the spirit of law shall be strengthened and assert itself over the "dangerous classes," who have brought disrepute upon her good name.

We are glad, in this connection, to express our sincere and profound conviction that under the present State Administration and government of Mississippi all the elements for the needed reforms exist and will be developed, so that a remedy for every wrong will be surely found in laws ordained in a spirit of benevolence and justice to all classes within the borders of the State.

A vast majority of the people of Mississippi have every element that constitutes a good American citizen. They are law-abiding, peaceful, and industrious, and they have every impulse in favor of justice, peace, and order, and all they now need is the kindly sympathy of their fellow-citizens in other States in the great distress which war and a totally revolutionized condition of their social and labor systems, coupled with gross maladministration of their State affairs, have brought upon them.

They have been the victims of a misrule which they sought in vain to avoid or remedy.

In simple justice we ask, should the white masses of the Mississippi be held responsible for the results of bad government, against which they have petitioned and protested in vain for years? Is it just to hold those responsible from whom all power has been withheld? The requisite means are always necessary for the desired end. In all the centuries the demand that the children of Israel should make bricks without straw has been cited as an illustration of tyrannical injustice; but is it not equally and even more unjust to demand of the white people of Mississippi the results of good government, when bad government has been fastened on them against their best efforts to prevent it, their entreaties, and their prayers?

Let them fully and fairly test their present opportunity to produce peace and order and prosperity by exercising their faculties for self-government.

The evils that have been enacted they were not justly responsible for, and their sufferings should call for sympathy, and not denunciation. Why should not this portion of our fellow-countrymen be made to feel that they have the rights as well as the responsibilities of that local self-government which is so freely enjoyed and jealously guarded by their fellow-citizens of the Northern States.

Is it consistent with justice, wisdom, or expediency to put the stigma of inferi-

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ority upon any State of the Union by asserting a power and right to make inquisition in her management of those domestic and internal affairs which, by the express terms of the Constitution, and by common consent and practice, are reserved to other States, which are never questioned in their control over them.

No attempt seems to have been omitted to bring the white people of Mississippi into ill-repute with their fellow-citizens of the North.

What, it may be asked, have the flags used at a political celebration to do with nfractions of the fifteenth amendment? Yet the following testimony will exhibit the intent to create sectional prejudice against them,(see testimony of John T. Harrington, at page 233.)

NO AMERICAN FLAG, BUT TWO HUNDRED OTHERS.

By Mr. BOUTWELL:

Question. Were you at the West Point meeting of the democrats two or three days before the election? Answer. Yes, sir.

Q. Did you see the flags exhibited there? A. I think I saw two hundred flags, but no United States flag.

Q. What were they? A. There were some very nearly—I cannot say if just exactly—like the confederate flag, and all sorts, shaking and waving. But I saw no United States flags. At the West Point meeting, up and down the streets on both sides for nearly a quarter of a mile, over both sides of the street, thirty or forty feet high, on the top of the buildings.

By Mr. BAYARD:

Q. Did you walk along the whole of that street? A. No, sir.

Q. Where were you? A. I was at my office, and went from my office to the hotel where the district-attorney was.

Q. Did you pass by and along this row of flags? A. Well, I could see up the street.

Q. How far could you see? I think you said you had ophthalmia, or something, which prevented you seeing very far? A. O, I could see. I cannot discriminate features half across the street. I could see these bars and colors.

Q. Did you see confederate flags at that meeting? A. No sir; I said flags resembling. They might have been like them. I do not know how many of these stripes they had on them. I do not know that they were full confederate flags. I know about the various colors, and from the appearance of confederate flags which I have seen.

Q. Was there no United States flag, then? A. I did not see any. I seen the particular ones. I think those on the court-house, if any, United States flags.

Q. Did you walk the entire line of the street where those flags were? A. I did not walk along the entire line; I think near the lower corner, and looked up.

Q. That was the meeting at West Point? A. Yes, sir.

Q. When? A. The Thusday before the election, I think. The election was the Tuesday following.

The answer to this miserable slander is to be found on page 253, in the testimony of Mr. R. H. Shotwell:

Question. Harrington stated here that there were no United States flags exhibited on the day of the celebration. What have you to say about that?

The CHAIRMAN. He did not state that.

Q. In order that we may know the facts, you may state what you discovered there. I thought that he stated that there was no United States flag, and he did say that there were flags that were very like confederate flags; and he left the impression, as I understand, and meant to leave the impression, that there were no United States flags. A. The flags he supposed to be confederate flags were just flags of red calico and white bleached domestic, which were hung by a Frenchman in our town, after the style, as he said, of ornamenting the streets in Paris on public days; and he made a beautiful display of white calico and red calico, but the stores and all the public buildings were ornamented with United States flags—five hundred of them, I reckon—and a long procession of horsemen, and very many of them had United States flags attached to their horses' heads, and the children all over town had little flags and were at the windows and doors saluting the procession as it passed by. It would look rather bad to let that go without a refutation. Mr. Harrington also stated something in regard to a speech by Mr. Barry. I heard that speech, and no such lan-

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guage was used by him as was attributed. All the addresses made to the negroes were of the most conciliatory character. The negroes were treated with the greatest degree of kindness by every man, so far as my knowledge goes. I believe hundreds of these men who came here would testify that they were not intimidated.

The character of the witness Harrington is thus given by Mr. Shotwell at page 249 :

A HORSE-THIEF AS A WITNESS.

"He is now under bond. This brother of his (J. T. Harrington), who testified here, I can show by any quantity of witnesses that he is a man of notoriously bad character; that he has been indicted for horse-stealing and for kidnapping negroes —not indicted for kidnapping negroes, but he has been charged with it, and a white man and a negro caught him at it. That was during the war. After the war he brought a suit for damages against one Anderson Beam for $20,000 damages, for making those charges against him, and the suit was finally dismissed by J. T. Harrington at his own expense. As to that Harrington, I can bring fifty or a hundred men, if necessary, here."

By the CHAIRMAN :

Q. State what you know of your own knowledge. A. I am stating as to his character of my own knowledge. I am just speaking of the character of the man.

By Mr. BAYARD :

Q. Of his reputation in the community ? A. Yes, sir; the general bad character of the man ; that he is regarded as a horse-thief. I have no doubt I can produce witnesses who would testify, any number of them, that they would not believe him on oath—eighty or a hundred men. I can name the party that caught him trying to kidnap a negro—William Nixon.

The report of the United States Grand Jury is also appended to the evidence (part 6).

In criticising this highly sensational document, it would seem reasonable to ask if such a denunciation of the State could be made by the nineteen republicans and one democrat who composed the grand jury. Why did they not find indictments for the punishment of some of the alleged crimes ?

If they had a majority to denounce, why not to bring to justice ?

Its publication would seem to reflect upon the district-attorney, whom it affects to praise ; for, if he had done his duty, the guilty would have been presented for indictment.

A PARTISAN ASSAULT.

It seems plain that this report was a partisan assault, a mere blast of defamation against their political opponents, for no one can doubt the indictments would have been found had the evidence warranted it. The President of the United States has caused to be annexed to his message on South Carolina troubles the following letter of District-Attorney Walton, which shows how little responsibility the "shameful failure of justice" belongs to the white people of Mississippi.

OXFORD MISSISSIPPI, *July* 15, 1866.

SIR : I have the honor to submit herewith the report of the grand jury lately in session here, together with the evidence on which it is based. This evidence, you will see, plainly required the jury to indict a great many persons for violations of the election laws ; but, out of eighteen jurors, seven were found who refused to concur in any such indictment. I learn, however, that all but one of the jurors voted for this report. All but this one professed to belong to the republican party ; and some of those who finally voted against the eleven who were for the indictments were throughout the whole session apparently the most reliable men we had to sustain the indictments and the most zealous in investigating the cases. This was particularly true of the man who wrote this report, yet he finally went against all prosecutions, though we had conceived him to be the most earnest, as he had certainly been the most active, man among us in bringing to justice, or at least in investigating the election cases.

I can only lament the shameful failure of justice which has taken place, and

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I have little doubt that it must and will give a most unbridled license to lawlessness at the next State, if not at the next Federal, election.

I am, sir, your obedient servant,

THOMAS WALTON,
United States District Attorney.

Hon. ALPHONSO TAFT, *Attorney-General.*

BETTER CLASS OF CITIZENS EXCLUDED FROM JURY DUTY IN U. S. COURTS.

In this connection it is proper to note that section 820 of the Revised Statutes of the United States provides as cause of disqualification and challenge of grand and petit juries in the courts of the United States, "having served in the rebellion, or giving it aid or comfort, or to have given directly or indirectly, any assistance in money, arms, horses, clothes, &c., anything whatever, for the use or benefit of any one whom the giver knew to have been engaged in arms against the United States," &c.

This law was enacted in 1862 and, although provisions for its repeal have more than once passed the House of Representatives, yet by the refusal of the Senate to concur still remains upon the statute, most unfortunately, as we believe.

It works an absolute exclusion of nearly every white citizen in the Southern States from the United States juries.

In the selection by the United States marshal in Mississippi the jurors were almost exclusively composed of republicans, colored and white, (20 to 1, see Walton's letters.

Attention is drawn to this, because the better class of the white citizens have been bitterly assailed and condemned because they have not actively assisted in convicting offenders; at the same time they have not only been excluded from office, but not even allowed to sit upon the juries.

We submit these facts to the consciences of our countrymen.

A letter from W. F. Tucker in also published at the request of the chairman, directed to Mr. Frazee, the foreman of this grand jury, to be found at page 151 of the documentary evidence.

If Mr. Frazee believed this letter was intended to deter him from doing his duty his course and duty were plain. The letter should have been handed to Judge Hill, who, by a bench-warrant, could have brought Mr. Tucker to answer.

But the publication of the letter by Mr. Frazee proves that he did not so construe it, and certainly that he derided it.

Whatever impropriety may be adjudged Mr. Tucker, it is his individual sin, and should not be visited upon his innocent fellow-citizens.

Throughout the testimony much of the alleged intimidation was by violent language, profanity, and vague and mysterious threats, which, however improper and reprehensible, are, we regret to say, much too common in every heated political canvass in almost every county in the United States, and are not peculiar to the State of Mississippi. The object of such testimony could only be to create prejudice, as it certainly could not have been intended as a basis for legislation. There is scarcely a State in the Union which is not assailable on similar grounds.

SOCIAL OSTRACISM.

Testimony was taken to prove the unwillingness of the southern white people to associate intimately with many of the witnesses. Judging from the account given of themselves by those who made this complaint, the undersigned are disposed to coincide with the parties complained of, and do not believe that in the Northern States the social standing of these witnesses could be very high, or intimacy with them generally desired. But it does seem to us absurd to suggest the regulation of private intimacies and associations by act of Congress. History has been read in vain if the folly and futility of all such attempts be not admitted. Time, the great healer of grief, may steep in oblivion the memory of the great losses with which the people of the South have in the providence of God been visited. But the wounds are too recent not to be touched gently. The members of many a household in Mississippi are clad in the garb of woe, and mothers, sisters, and wives are pale with sorrows that will not cease until the union with their loved and lost shall come with the end of their earthly troubles.

Into these associations a stranger may not intrude, a man of feeling would not if he could, and an unfeeling man should be repelled.

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The fireside of a citizen, however humble, is a domain which neither congressional committees nor any one else has a right to enter unbidden by its owner. Nothing in the letter or spirit, the theory or practice of American government even suggests such a jurisdiction, and we thus dismiss the subject.

INTERFERENCE BY FEDERAL AUTHORITY

in the State elections and internal affairs of the State has, since the close of the war, frequently taken place, and never without deplorable and disastrous results; and, on the other hand, the applications of minorities, defeated by the popular vote, to be nevertheless installed in office, has never been denied by the Federal authorities without such denial being followed by beneficent results.

Such interference has always been followed (and very naturally) by local discontent and disorder, as in the case of Louisiana and Alabama, while Tennessee, Virginia, North Carolina, Georgia, Texas, and Arkansas are living proofs in their increased prosperity and tranquillity of the wisdom of non-interference.

THE PROBLEM OF RACE

will continue to be of the deepest interest to the people of this nation; and it is not the duty or purpose of the undersigned to do more at present than recognize its existence and refer to its solution as a matter of great difficulty. Suffice it to say that the relations of the African to the white races in the United States do not stand alone for consideration; but on our Pacific coast the dark shadow of an Asiatic horde hangs lowering over the white population, and has aroused their gravest apprehensions.

The African race is now admitted fully to the rights of American citizenship. Under the fifteenth amendment all power to discriminate as to the right to vote "on account of race" is inhibited to the States and to the United States.

Thus, between the admission of the Mongolians to the privilege of suffrage, there now stands but the frail barrier of a single word of the naturalization laws, to be added or subtracted at the will of a bare majority in Congress, which can close or open to the teeming Oriental populations unobstructed opportunity, by their mere numbers, to control our elections and our governments, State and Federal.

The vastness and gravity of the subject will not admit of further discussion in this report.

A few remarks upon the condition of Mississippi in June, 1876, will conclude this report.

A rapid journey by railway brought the committee to the town of Jackson, the capital of the State. The examination of witnesses, who were all ready and in attendance, having been summoned in advance by telegraph from Washington, commenced on the day of our arrival, and continued all day and every day from June 9, to June 27, when, by traveling all night, we reached the little village of Aberdeen, in Monroe County, and, after three days of close labor there, returned to Washington. No act of a turbulent or disorderly nature was witnessed by the committee, and no signs of enmity or incivility were exhibited; but, on the contrary, courtesy and respect were on all hands extended to the committee.

A SUGGESTIVE SPECTACLE.

The poverty of the people was apparent in their garb, the appearance of their houses, and the marked absence of good and comfortable vehicles.

The want of horses or equipages for ordinary pleasure was frankly stated to the undersigned by sundry gentlemen who regretted their inability to allow us to see the surrounding country, simply because they and their families were too poor to indulge in the pleasure of a drive.

Large numbers of ladies in Mississippi, delicately nurtured and carefully educated, are compelled to perform the drudgery of their households unaided by domestic servants.

This great change in their mode of life and fortunes induces them to conceal their wants from a stranger's eye, and frequently forbids that open-handed hospitality once so characteristic of Southern households.

The only exhibition of pleasure seeking witnessed was by the colored people, whose processions passed by the committee-room, and whose holiday excursions by railway started from the depot opposite.

The only cannon sound was from their republican ratification meeting, and theirs was the only music heard by us in Mississippi.

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The poverty of the colored people also was often painfully apparent in the groups of witnesses who clustered upon the long galleries, wretched in appearance and miserably clad, giving to the hotel the appearance of a county almshouse.

The reformation in the legislation and administration of Mississippi by the party in control since January, 1876, has thus been important and marked with great benefits to the entire community.

The judiciary has been purified and elevated by the appointment of men learned in the law and irreproachable in character to the bench. The far-reaching and beneficent influences of this single reform can scarcely be overstated, and the blessing to flow to all classes of society and all races of men in the pure and equal administration of public justice may be now hopefully looked for.

The Hon. John A. C. Watson, a citizen of the highest reputation, both as a lawyer and a man, testified on this subject as follows, at page —— :

Question. Speaking irrespective of party in the State, what was the effect upon public opinion of the course of administration which you have here detailed as to the growth of confidence or dissatisfaction therein? Answer. It created great discontent and dissatisfaction. Many of the republican party became as violent opponents of Governor Ames as the democrats were or ever had been.

Q. I would ask you what in your judgment, as a citizen of the State and a close observer of the affairs of the State, was the effect of the discord in the dominant party in the election of 1875? A. I think the split in the party contributed more to the overthrow of Ames than any other single cause. And in this way: The negroes, hearing their own men abusing each other, seemed to be bewildered. I traveled over the State a good deal during the last canvass. I addressed the people at this place, (Jackson,) and I addressed them at Canton, at Winona, at Oxford, Taylor's Depot, Hernando, Senatobia, and some other places, besides in Marshall County, and had a good deal of intercourse with the people.

Q. With both parties? A. Yes, and I noticed a very great change in the negroes. Before, they had been unwilling to hear any but their own speakers, and seemed to have no confidence in anybody else. Last fall, long before the election, they were coming out to hear the democratic speakers. They were conversing with democrats, and before the day of election a good many had openly avowed themselves democrats. In my county, and in others of which I heard, a great many had joined clubs, and I noticed, frequently, one or two who would first go and hear, then they would converse with me, and their change was as gradual aad slow as it well could have been. Finally they would avow themselves democrats and become more enthusiastic than anybody else. Such changes were usual throughout the State before the day of the election, and I heard many of them say, "Well, we have made nothing yet by the republican party; they have done us no good, and I reckon it is possibly best to have a change. We will try it." I don't pretend to give their exact language, but the substance of what many said.

Q. Since the election have you observed the sentiments and feelings of the colored population in regard to this change of administration? A. I think there has been more of contentment and quiet and satisfaction among the negroes since the last election than has ever before existed in the State since reconstruction.

Q. Excluding yourself, of course, what is your estimate of the present state of judiciary, both as to the chancery, Circuit Court, and the Supreme Court? A. I regard the improvement as very great—very great.

Q. Have the offices of chancellor been refilled? A. Yes.

Q. And the circuit judges also refilled? A. Yes.

Q. From what class of men, as to legal attainment and character, have these appointments been drawn? A. They have been made from a class of lawyers who had the confidence of the people and who were competent to fill the places. The Supreme Court bench, with Simrall, appointed by ALCORN, and Campbell and Chalmers, appointed by our present governor, Governor Stone, in point of capacity, integrity, and character, is equal to any court in the Union, and there are not more than one or two chancellors or circuit judges that I, myself, as governor, would not have appointed.

Q. Are you aware that the charge had been made that the late election in 1875 was carried by a general system of intimidation and violence on the part of the democratic party toward their political opponents in this State? I will ask you now what is your knowledge and your judgment as to the truth or falsity of that statement? A. Well, so far as my personal knowledge goes, I never witnessed

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anything approaching intimidation by the whites. Cases of intimidation of colored voters by colored voters did come under my observation. There has always been something of that, but much less of it in the last election than previously. A better class of men, as a general thing, were anti-radical candidates last fall, and a more orderly or fairer election was never held, so far as it came under my observation.

Judge Campbell, of the Supreme Court, at page ——, says:

Question. Has there been, as far as you know, since the election an acquiescence in the change of affairs in the State? Answer. Entirely so; the most perfect quiet has reigned throughout Mississippi.

Q. Any collision between the races since that, that you are aware of, in your own section of the country? A. I have heard none anywhere I remember, except on the borders of Mississippi, in Louisiana; this matter down here, that is known through the instrumentality of papers; I have heard of no disturbance; perfect quiet has reigned throughout the State except that.

Q. State what has been since 1875 the effect of this change of administration; if there has been any effect upon the happiness and prosperity of the people. A. It has been most inspiring, decidedly inspiring, to the people.

Q. Is that feeling confined to one race exclusively? A. I am not able to speak about the colored people. My associations with them are so very limited that I cannot say, sir. My professional duties before my appointment to the bench, and my judicial duties since, have so engrossed my time that really I cannot express an opinion, even about the sentiments of colored men in the State.

Q. Has there been, to your knowledge, a visible improvement in the prosperity and condition in the State since the change of administration? A. There is no question about that, I think, sir. The prospect for industrial success is decidedly better than it has been. There are much higher hopes in the bosoms of the white people, and, so far as I can ascertain or judge from every appearance, perfect contentment, quietude, and satisfaction among the colored people.

The truth is that the colored people were being incited by pestiferous vagabonds who wanted to stir them up for purposes of their own against the whites. And they would have moved along in their sphere contentedly and quietly, depending on the white people, trusted in them, and treated with kindness by them, but they were stirred up and hopes were created in their bosoms which could not be realized. And there are ambitious men among them, who, catching their inspiration from their leaders, undertook to permeate the whole race with it, and spreading it abroad inciting them and inducing a feeling, when there would have been no such feeling; all would have been satisfactory between the whites and blacks had it not been for the interference of these persons who undertook to use the negroes for their own purposes.

And I will state further that the negroes would have fared just as well and better without any interference at the hands of the mass of the white people, who have far more consideration and kindness for them than these men who make loud pretense of their devotion to them for mere political purposes.

I know the negro race well; I was born and reared among them, and have nothing in the world but the kindest feelings for them and in my private life and in public life, as they all will testify who have been brought within my influence, I have treated them with great consideration. When on the bench, where they had against them the natural prejudice unhappily existing to a great extent in the minds of their late masters against the newly enfranchised race, I was anxious to secure them from injustice from white jurors, even more so than if they had been white people. I have always had only feelings of the utmost kindness toward them, and have now.

I am prepared to assert that they have done wonderfully well under the circumstances, and would have done far better but for the interference of politicians, who stir them up and use them for their own benefit. They have been badly taught and misled and been used as mere puppets to a large extent.

The reduction of expenses by the last Legislature was positive, and highly satisfactory to all tax-payers. (See page ——, deposition of ———.)

The condition of public schools is in the main satisfactory, and the provision for their maintenance has been increased by the appropriation of certain license fees and fines to their support. (See page —— deposition of E. Barksdale.)

On this subject the following extract is pertinent and interesting:

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"THE PEABODY SCHOOL FUND.

"On Friday last the trustees of the Peabody fund for aiding the public schools at the South held a meeting at the Greenbrier White Sulphur Springs, at which the report made by Dr. Sears of his last year's work was discussed. From this report we learn that Dr. Sears disbursed from the fund under his charge but a small amount to South Carolina, Florida and Louisiana, because those States do not foster public education. In South Carolina and Louisiana the republicans have had possession of the government for years past. In Florida the democrats have only recently had any chance of carrying the State. Yet in these three States, where the white friends of the colored people have everything their own way, the school funds have been squandered and dissipated and the school-houses closed. What wonder, then, is it that Mr. George Peabody Russel, who joined in the discussion of the Sears report, gave it as his opinion, from personal and recent observation, 'that nothing could be expected from those States in the way of advancing their educational interests until there was a change in their State governments.'"

By amendatory criminal legislation the live stock of the farmers has been protected, and the lawless and indiscriminate slaughter of breeding-animals has been made highly penal, so that this year much of the pork and beef heretofore purchased abroad will be raised within the State.

With the increased acreage of corn and the fine crops of their great staple of cotton, the prospects for the material prosperity of Mississippi in the present year are favorable.

CONSTITUTIONAL POWERS OF CONGRESS.

If it be designed that our form of government should be continued, we hold it to be the sworn duty of every Senator and member of Congress, as well as every officer of the Government, to respect and obey the limitations upon power imposed by our written charter.

Whatever may be our individual opinions as to the right or the wrong of a given condition of affairs, the power, and with it the duty to interfere must be found expressly or by necessary implication, in the Federal Constitution, otherwise such interference is law-breaking and not law-making.

The Supreme Court of the United States, in the case of The Collector *vs.* Day, 11 Wallace, Rep., p. ——, through the lips of that venerable and lamented jurist, Mr. Justice Nelson, described the relative powers of the Federal and State governments in the following words, which we commend to the respect and for the instruction of the Senate:

"It is a familiar rule of construction of the Constitution of the Union that the sovereign powers vested in the State governments by their respective constitutions remained unaltered and unimpaired, except so far as they were granted to the Government of the United States. That the intention of the framers of the Constitution in this respect might not be misunderstood, this rule of interpretation is expressly declared in the tenth article as the amendments, namely: 'The powers not delegated to the United States are reserved to the States, respectively, or to the people.' The Government of the United States, therefore, can claim no powers which are not granted to it by the Constitution, and the powers actually granted must be such as are expressly given, or given by necessary implication.

"The General Government and the States, although both exist within the same territorial limits, are separate and distinct sovereignties, acting separately and independently of each other within their respective spheres. The former in its appropriate sphere is supreme; but the States within the limits of their powers not granted, or, in the language of the tenth amendment, 'reserved,' are as independent of the General Government as that Government within its sphere is independent of the States. * * *

"Such being the separate and independent condition of the States in our complex system, as recognized by the Constitution, and the existence of which is so indispensable that without them the General Government itself would disappear from the family of nations."

The House of Representatives of the United States is by the Constitution the sole judge of the elections, qualifications, and returns of its members. Contests for membership and admission to that body must be settled by that body alone. This Senate has no power.

The constitution of the State of Mississippi secures to the respective houses of its Legislature the same exclusive power in the same frame of words, and it cannot be lawfully overthrown by the United States.

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The deposition of Mr. Walton, the present United States district attorney of Mississippi, at page 63, exhibits his and Governor Ames's views of the late election :

Question. Has any department of the government in Mississippi, or any authority, State or Federal, questioned the legality of the present Legislature? Answer. I believe not, sir. That is to say, no authority, State or Federal, nor department of the government in Mississippi has questioned the legality of the present Legislature. There has been a popular charge that it was a Legislature elected by intimidation; but then, while they have questioned it unofficially, they have recognized the legality of the Legislature by their official intercourse with it.

Q. Have not both the judicial and executive authority of the State repeatedly recognized the legality of the Legislature elected in 1875? A. The judicial authority, the Supreme Court, may be considered as having recognized the legality of the Legislature in this way: two of the judges of the Supreme Court by turns—the court consists of three judges—presided over the impeachment of Governor Ames. The chief justice of the State first presided, and then in consequence of ill health he resigned his position, and became only an associate justice, and the person who was elected chief justice in his place took his position as president of the court of impeachment. The officers of the State generally reported to the Legislature, and the governor of the State sent his message to the Legislature and approved or vetoed its bills. I remember that I had a conversation with Gov. Ames on that subject, in which something was said about the legality of the Legislature. I recollect he made the remark, which impressed me as authorizing his action in the matter, that the Legislature was a legal body, because the number of republicans in the Legislature and the number of democrats in the Legislature, who were peacefully elected, constitute a majority of each house, and thereby were entitled to decide the question of the right of the other members to their seats. He contended, however, that a good many of the members had been illegally elected.

Q. But that was a question which there was a legal body there to determine? A. That there was a legal body there composed of republicans who had been elected without any improper influence, and democrats who were elected peacefully, in sufficient numbers to constitute a majority of each house. I remember his making that remark to me in January, shortly after the Legislature met. He did not give that as his reason for recognizing the Legislature in his official capacity; but the two things coupled themselves together in my mind.

The statement of the result of the election by Governer Ames, and that the late Legislature was a legal body, is more than sustained by the testimony.

Striking out the counties where fraud or violence may be supposed to have nullified the elections in those special and few localities, still enough lawfully and peaceably elected members of both houses remain unimpeached, in any quarter and by any witness, to form more than a quorum duly qualified to organize the two bodies according to the constitution of the State of Mississippi.

T. F. BAYARD.
J. E. MCDONALD.

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INDIAN FRAUDS.

HOW CONTRACTS ARE MADE PROFITABLE.

THE INDIAN PEACE COMMISSION.

In the Spring of 1869 the President of the United States appointed a Board of Indian Peace Commissioners, in accordance with the provisions of Section 4, of the "Act making provision for the current and contingent expenses of the Indian Department, approved April 10th, 1869." By the section referred to, $2,000,000 were appropriated to enable the President "to maintain the peace among and with the various tribes, bands and parties of Indians; to promote civilization among them, and where practicable, to bring them upon reservations; relieve their necessities, and to encourage their efforts at self-support." To enable the President to accomplish this great work, he was authorized "To organize a Board of Commissioners to consist of not more than ten persons, to be selected by him, from men, eminent for their intelligence and philanthropy to serve without pecuniary compensation, and who may, under his direction exercise JOINT CONTROL with the Secretary of the Interior, over the disbursement of the appropriations made by this act or any part thereof, that the President may designate."

The Commission selected in accordance with this provision of the law was composed of the following gentlemen: George H. Stuart, William Welsh, W. E. Dodge, E. S. Toby, J. V. Farwell, Robert Campbell, Felix R. Brunot, Henry S. Lane, and Nathan Bishop. On June 3d, the President issued an executive order in which he recited the appointment of the above-named gentlemen, and specified their duty as Commissioners. In this order, however, the President was careful to inform the Commissioners, that they could not "*exercise joint control with the Secretary* of the Interior, over the disbursement of the appropriations, as the Act authorizing the President to appoint them, said they might do, under his direction.

MR. WELSH ASSIGNS HIS REASONS FOR RESIGNING.

Several of these gentlemen, then designated by the President to act as Peace Commissioners, and inaugurate a humane and just policy of dealing with the Indians, were eminent citizens, distinguished for personal worth, for philanthropic work and for disinterested zeal in their undertakings. They gave time, money, labor, energy and devotion to this self-imposed task, and refused to receive any compensation whatever for their services; but after a very short experience, William Welsh, who had been selected by his associates on account of his high personal character and great business experience, as Chairman of the Commission, resigned; and in a letter to the President, gave the following reasons for his resignation. He said: "Owing to influences from without and from within the Interior Department, the sources of which were carefully concealed from the Secretary of the Interior, instead of giving the Board the joint control indicated in the act of Congress, its powers were limited to that of a mere council of advice. Having more thorough knowledge than some of my colleagues with the political power of the Indian Ring, and of the deep-seated malady in the

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Indian Office, and being unwilling to assume responsibility without any power of control, I peremptorily resign my commission, at the same time pledge myself to you that I will serve the cause as a private citizen with equal zeal, and without cost of any kind to the Government."

ALL THE HONORABLE MEN RESIGN.

After the experience of the first year it became evident that the Secretary of the Interior, and the Indian Bureau under his control, were hostile to the supervision of these Commissioners, who had, after the resignation of Mr. Welsh, endeavored to do what they could to prevent jobbery, and diminish the profits of the Indian Ring. They did succeed to such an extent in interfering with the plans of the corrupt combination which rules the Indian service, that the ring determined to get rid of these efficient gentlemen and provide a more subservient Board of Commissioners. By means of the Indian committees in Congress who are generally appointed at the suggestion of the head of the Interior Department, the ring was enabled to procure legislation by which the aims of the Commission were thwarted and their whole policy practically overthrown. All sorts of pretenses were invented for disregarding their advice, and disputing their authority; their disallowance of corrupt claims and disapproval of fraudulent contracts were overruled insultingly and in defiance of the law. They appealed to the President in vain, and finally when they saw they were without support, they resigned, and refused longer to give their countenance to a policy whose name was prostituted to the most venal objects and scandalous abuses.

A SHAM COMMISSION APPOINTED.

But it was necessary, in order to cover up the operations of the ring, that there should be a sham commission selected by the ring itself, through the Secretary of the Interior. But the kind of men who were wanted had to be paid, and so in the Indian Appropriation Bill of 1875–76 the following amendment was inserted in the Senate and concurred in by the House:

"For this amount or so much thereof as may be necessary to pay the expenses of citizens serving without compensation, appointed by the President under the provision of the 4th Section of the Act of April 10th, 1869, $15,000."

In re-organizing the commission, care was taken to select two members from Washington who could always be at hand, and counted upon as faithful to the ring. They were F. H. Smith, formerly a reporter of the House of Representatives, who had been dismissed for his connection with notorious jobs, and Wm. Stickney, who had been President of the Upper House of Boss Shepard's Ring Legislature for the District of Columbia.

WHAT THE OFFICIAL FIGURES SHOW.

When the official statistics are scrutinized in detail, the results of the Indian ring's operations are simply astounding. Although Congress has voted year after year the most extravagant appropriations upon estimates of the Indian Bureau, there is no census or basis upon which the population can be safely assumed. The Indians, on their side, do not desire to be counted, and this prejudice fits in with the designs of the agents, traders and ring managers, whose profits are all the better in proportion to the false numbers which they return; consequently, they have combined in this respect with the chiefs, to prevent a correct census, which would at once expose one of the great sources of systematic fraud; hence millions have been asked for and granted upon mere estimates of population without the least pretense of reliability, and known by the test of particular tribes accustomed to draw supplies to be willfully fabricated and usually doubled in number. This excessive counting has been one of the chief elements in the frauds of the ring, which could not have prospered without the consent and co-operation of the Indian Bureau. Nothing is easier than to regulate the distribution of annuities in such a manner as to know almost exactly the number of men, women and children in every tribe.

It is assumed that the correct number of Indians, excluding Alaska, is about 275,000 all told, and that 65,000 only draw rations from the Government. These are the figures of the Interior Department; but when contrasted with those before the war, and the average mortality is taken into account, it is evident that they are cooked for a purpose. The tables of the national census for 1870 were

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mainly predicated on the returns furnished by the Indian Bureau, so that, in fact, there are no data worthy of the name for the Indian population.

A COMPARISON THAT IS VERY SUGGESTIVE.

No one will venture to deny that the number of Indians between 1856 and 1861, the six years preceding the war, was much greater than for the first six years under the present Administration; therefore, the cost of maintaining them ought to be actually reduced to the extent of this decrease, whatever it may have been. Let us test the expenditures by these two periods, as reported by the Treasury Department:

1856	$2,769,429 55	1859	$3,625,027 24
1857	4,267,543 07	1860	2,949,191 34
1858	4,926,738 91	1861	2,841,368 28
Total for six years			$21,379,298 39
Annual average			$3,563,216 39

Grant became President on the 4th of March, 1869, and in order to give him fair play and abundant margin to develop his policy, the fiscal year ending June 30, 1870, when he had been fifteen months in office, is taken for the starting-point:

1870	$3,407,938 13	1873	$7,951,704 88
1871	7,426,997 44	1874	6,692,462 09
1872	7,061,728 82	1875	8,384,656 82
Total for six years			$40,925,488 20
Annual average			$6,820,914 70

Presented in a more compact form, these results appear thus:

Total for six years under Grant	$40,925,488 20
Total for six years, 1856 to 1861 inclusive	21,379,298 39
Excess for six years under Grant	$19,546,189 81

or,

Annual average under Grant	$6,820,914 70
Annual average from 1856 to 1861 inclusive	3,563,216 19
Annual excess under Grant	$3,257,698 51

During the first year of the present Administration there was no marked change, and the next year it will be observed there was an increase of $4,000,000, and the expenditures have averaged that immense increase ever since.

OUR INDIAN SERVICE COMPARED WITH THE CANADIAN.

The extent of the stealings under the present management of the Indian Bureau will be apparent when we compare our system with that of the Canadian Government. The enumeration of the Indians in Canada is as exact as that of any other part of the population. There are 94,324 scattered all over that dominion, and the annual cost per head is below $2. They are industrious, peaceable, thriving, and some of them have become prosperous farmers. Separate accounts are kept for their tribes, not only of the money granted for the cession of their lands, which is prudently invested, but of the outlay required to support them, maintain schools, purchase implements of husbandry, or in aid of other works. By the operation of this plain and honest system, a large reserve fund has been created, which is gradually increasing, so that the interest on the capital will before long relieve the Canadian Government of any charge, and make the Indians independent.

If the total of 275,000 Indians in the United States, as estimated by the Interior Department, be apportioned by the average annual outlay under the present administration, the cost would be $24 a head. If the 65,000 who are represented

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by the Bureau as drawing rations are apportioned in the same way, the cost would exceed $100.

Bishop Whipple, the eminent divine who has given a great deal of attention to Indian affairs, in speaking of the Canadian policy, says: "In Canada the Indian treaty calls these men, 'The Indian subjects of her Majesty.' When civilization approaches them they are placed on ample reservations, they receive aid in civilization, they have personal rights of property, they are amenable to law, and protected by law, they have schools, and Christian people delight to give them their best men to teach the religion of Christ. We expend more than one hundred dollars to their one in caring for Indian wards."

THE TESTIMONY OF REPUBLICAN WITNESSES.

It is evident that the frauds practiced upon the Government of the United States and the unfortunate Indians, by corrupt officials, acting in collusion with members of the Indian Ring, will in the aggregate amount to several millions of dollars annually. We have the testimony of eminent gentlemen, members of the Republican party, which we propose to set forth here in order to throw some light upon the manner in which the affairs of the Indian Department have been conducted under Republican rule. One of these gentlemen, Mr. William Welsh, of Philadelphia, has endeavored by every means within his power during the last few years to expose the iniquities practiced upon the Indians by the Indian Ring, as well as the frauds perpetrated upon the Government by the same parties. He has appealed to the President; he has urged upon Congress the necessity of taking some practical steps toward reforming this branch of the public service, but without avail. Finally, as a last resort, he has appealed to the public, and we quote from an open letter, which he addressed to the President on January 8th, 1874, in which he said:

"At our recent appointed interview I felt constrained to inform you that, since "the last letting of contracts for supplies, a powerful Indian Ring, comprising "men whom I named to you, has been formed, and that in some unaccountable "way it had acquired such an influence in the Interior Department, that, if un- "checked, it would undermine your policy by destroying the confidence of Con- "gress, and thus hinder the appropriations necessary to promote Indian civiliza- "tion. *As these efforts have failed to procure the reforms in the Indian Office* "necessary to protect the Indian and the Government, I now present the case to "you in an open letter, as I do not feel free to consult with you privately about "the duties of a Cabinet officer.

"If MR. DELANO had looked into the office of the second Auditor, and, also, "into the returns office, himself, he would have seen *the law was constantly violated* "*by keeping contracts from the public observation*, although *there is a penalty of im-* "*prisonment if each contract is not speedily recorded in that office, where it is to be kept* "*open for public inspection.*

ILLEGAL SALES OF PINE TIMBER.

"The Secretary of the Interior was, until I recently advised him, kept in igno- "rance of a contract made by Agent Smith, now the Commissioner of Indian "Affairs, on the 8th day of November, 1872, for the illegal, and, as I believe, the "otherwise wrongful sale of immense bodies of pine timber, without the know- "ledge of some of the Indians to whom it belongs, and against the openly "expressed wish of other bands who own a portion of it. The Commissioners "for investigating half-breed scrip, Agent Smith and Judge Jones, *one of the present* "*examining Commissioners*, had previously reported timber, said to be far less "valuable than this, to be worth $2.50 to $3.00 a thousand; and yet this contract "was made at $1.15 a thousand, *without advertising, or in any other way inviting* "*competition.* A portion of this timber had been previously sold by Agent Smith "to Clarke at $1.35 per thousand; and Clarke testifies that he was willing to "give that price for the whole; *but Agent Smith said he could not sell it.* Agent "Smith subsequently notified Clarke that the contract he had entered into with "him was void, because the Indians at Oak Point had determined not to sell "their pine timber. Subsequently this timber, with large bodies of timber "belonging to other Indians who had not been consulted, *was sold to A. H.* "*Wilder*, at $1.15, as before referred to.

"If Mr. Wilder paid $50,000 advance money (on this purchase), it is certain "that no part of it ever reached the United States Treasury, and that not

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"one dollar of it was expended for the relief of these poor, perishing Pillager "Chippewas.

"By reference to the report of General Terry, you will learn that no imple- "ments of husbandry, or seeds were sent to these Indians, and that, consequently "they were disheartened, and almost starving. Even the $10,000 which were to "have been paid under the terms of the contract, on the first day of May, were "not received into the Treasury until after the exposure of this stupendous in- "iquity. If the whole truth, in relation to this and other similar transactions in "that region is brought to light, I fear the whole band of white pillagers will out- "number their red brethren of that name.

ILLEGAL CONTRACTS FOR SUPPLIES, &C.

"Without consulting the Board of Indian Commissioners, in accordance with "a specific law of Congress, and *without advertising*, Commissioner Smith made "extensive private contracts with A. H. Wilder, and others, for supplies and for "freight, and substituted corn for contract flour, and barreled pork for contract "bacon. Some of the vouchers, approved by Commissioner Smith for the ex- "pense of Indians visiting Washington, give evidence of fraud; and surely there "was great extravagance in the allowance of *forty-five dollars per trip, to a clerk of "the Indian Office from New York to Washington and back*, each time he spent "Sundays with his family, also, *six dollars a day for expenses*, in addition to his "regular salary.

"Commissioner Smith purchased a quack nostrum, of doubtful morality, to "the extent of *five thousand* dollars, and had it charged to the appropriation "for *vaccine virus*. This charge was subsequently approved in the Secretary's "Office, and *charged to other appropriations*.

"When the Assistant Secretary of the Interior visited Indian agents, he was "allowed, in addition to all his expenses, *eight dollars a day*, while receiving sal- "ary as a Government officer.

"This violation of law, although comparatively unimportant in amount, is "ruinous to the morality of the Department, as it practically sanctions still greater "irregularities by others who hold inferior offices.

"Vouchers to the extent of nearly *half a million of dollars were rejected* by the "Board of Indian Commissioners, under the belief that they were fradulent, "illegal, or irregular; and yet most of these have been paid by order of the "Secretary of the Interior. A beef contractor, whose fraudulent prac- "tices are on record in the Interior Department, and whose bids are con- "sequently rejected by the Board of Indian Commissioners, was allowed to sub- "let the contracts for the last fiscal year. To guard against the recurrence of "this flagrant wrong, the Board of Indian Commissioners caused the following "paragraph to be inserted in the proposals for supplies for the current fiscal "year:

> "'No contract, or part thereof, will be permitted to be assigned or filled "'by other parties, without the written consent of the Secretary of the In- terior.'

RING INFLUENCE IN THE INTERIOR DEPARTMENT.

"When awarding contracts for cattle and for freight, we were all surprised at "the urgency of Gen. Cowen, Assistant Secretary of the Interior, and of Indian "Commissioner Smith, that large contracts should be given to *A. H. Wilder*, of "Minnesota,—of the notorious contract for pine timber, that, five months before, "had been concluded by Mr. Smith, and approved by Gen. Cowen, Acting Sec- "retary of the Interior, *without having been reported to Secretary Delano, as he "testifies*.

"Men who have withstood other temptations have yielded to the persuasive "overtures of contractors and speculators in pine timber. The power of these "temptations is increased by an alleged or real influence in the Interior Depart- "ment. *That contractors known to be adepts in this form of villainy have influence "in the Interior Department, is an undeniable fact.*

"The FIVE THOUSAND DOLLARS spent for quack medicine was directed to be "charged to the account that should have covered vaccine virus only. The sum "of seven hundred and ten dollars was allowed to a clerk before referred to, as "car fare, *at three times its actual cost* is endorsed as follows:

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"'Approved. Charge appropriation for Incidental Expenses, Indian service
"'in Dakota. E. P. SMITH, *Commissioner*."

"Having now performed my duty as a private citizen, I am quite content to "leave the work of reform where the responsibility has been left by the people of "this land. (Signed),

"WILLIAM WELSH."

MANIFOLD VIOLATIONS OF LAW.

Again Mr. Welsh submitted the following statement of his charges against the Indian Office before a sub-committee of the Committee on Appropriations, which was directed by a House resolution passed December 12th, 1870, to inquire what had been the results accomplished by the Indian Commission.

FIRST.—Extensive purchases of cattle, flour, groceries, &c., by private contract, about June 17, August 10, 1870, and at other times, in direct violation of a law of the United States, which requires such supplies to be advertised for in the public newspapers, before purchases are made.

SECOND.—Large purchases, made nearly a month before the passage of the Appropriation Bill, and therefore without warrant of law, and to an extent not warranted by any exigency—the payments to one individual alone amounting to more than **$335,000.** The letters of June 18th, 1870, from the Indian Office to Agent Poole, and others, show conclusively that there was no exigency requiring large purchases; as one-third of the cattle were to be delivered about July 15, one-third August 1, and one-third September 1, 1870.

THIRD.—A violation of the appropriation bill passed July 15, 1870; section 3d, making it the express duty of the Commissioner of Indian Affairs to consult the board of Commissioners in making purchases of all goods to be paid for under said appropriation bill; large purchases of beef, flour, etc., having been made without the knowledge of said Board of Commissioners.

FOURTH.—Section 3d of said appropriation bill makes it the duty of the Board of Indian Commissioners "to supervise all expenditures of money appropriated for the benefit of the Indians in the United States, and to inspect all goods purchased for said Indians, in connection with the Commissioner of Indian Affairs, whose duty it shall be to consult said Commission, etc." This well-defined duty imposed on the Commissioner of Indian Affairs was only complied with in the supervision and inspection of dry goods, and wholly neglected in other and far more extensive and important expenditures of money.

FIFTH.—Culpable neglect in not ascertaining, by telegraph, or otherwise, how much beef and other supplies were likely to be furnished by contractors under the Commissary Department, before making large purchases of beef, etc., as per contracts of June 17, and Aug. 10, 1870.

FRAUDS IN CONTRACTS FOR BEEF CATTLE.

SIXTH.—Exorbitant prices paid for provisions about June 17th and August 10th, six and one-half cents per pound being the price for Texas cattle, on the hoof, to be *received* and *receipted* for by the agent *immediately* on the arrival of the herd. The Commissary Department was at that time supplying the agencies at 4.45 cents per pound, and a contract, when properly advertised, was subsequently made by the Indian Department at 3.88 cents per pound. In both cases the contractor was bound *to keep the cattle at his own expense and risk, deliverable as required by the agent from time to time during the period of nine months.* The contractor for the cattle at 6½ cents is also a partner in the contract at 3.88 cents. He and others in the cattle business admit that the cost and risk of keeping Texas oxen in that stormy region and near hostile Indians, for delivery, as needed, exceeds 1¼ cents per pound, which, deducted from the 4.45, and 3.88, make the purchase at 6½ cents for prompt delivery equal to an advance of 100 per. cent. on the Commissary's contract, and 150 per cent. on the contract made by the Indian Office, *in pursuance of law*, after public advertisement. I was credibly informed, and believe, that the cattle delivered in November at 6½ cents a pound cost but 2¾ cents at some reservations, 2.85 cents at others, and 3 cents at the most remote. I am offered oxen in full supply for the next season at 2¾ cents a pound, delivered on the banks of the Missouri river, from June 15th to July 1st, although the price of cattle has materially advanced in Texas since last Spring, The best of the cattle, say 4,000 head of the 3.88 cents contract, cost 3 cents a pound, because they were

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bought so late that they could not reach Grande river before the close of November. I was credibly informed and believe that between two and three thousand cattle, under the same contract, were very inferior to the others, and that some of them cost 2⅛ cents a pound, or less.

OFFICIAL INSTRUCTIONS IN FAVOR OF THE RING.

SEVENTH.—"The following wrongful and censurable instructions to agents, dated Indian Office, June 18, 1870: 'If the quantity of any or all of the articles delivered should vary from the foregoing, either more or less, it will make no particular difference. You will give Mr. Bosler proper receipts for all the supplies furnished by him at the time of delivery.

"The foregoing instructions notified the agents at Whetstone that one-third of the cattle would be delivered, each, about July 15, August 1, and September 1, 1870. Mr. Bosler notified the agent that he would thrust upon him about one thousand cattle by July 20. The agent remonstrated, as he had then nearly three months' supply on hand. A telegram from the Honorable Commissioner of Indian Affairs, dated July 20th, 1870, compelled him to receive from J. W. Bosler all the cattle he brought, say 839 heads, in addition to the 1,200 already on hand at the agency. The agent reports that these additional cattle will cost him $600, per month for herders, in addition to stampeding and other casualties. As these letters of instruction show that the contractor might deliver in July, August, and September, a plea that the contract was made for supplies to meet an exigency has no foundation in fact; and the reason for this *very peculiar clause* became manifest on this, and especially on subsequent occasions; for deliveries of 6¼ cent cattle were made in November, and attempts were made in the same month to force 7,000 additional oxen on the agents, contrary to contract.

EIGHTH.—"The neglect to advertise for proposals to furnish cattle, immediately after the passage of the appropriation bill, July 15, is not only culpable, but seems to be something worse, when coupled with the fact that additional cattle to the extent of $155,000, were purchased privately on or about August 20, and were allowed to be delivered as late as November 14, when, under the advertised contract, cattle were to be ready for delivery as early as the 15th of October, at 3.88 cents a pound.

NINTH.—Neglect in not notifying the Second Auditor of the receipt of a notification from Agent Randall, of Cheyenne, that his sub-agent had receipted for Texas cattle, at twelve hundred pounds, instead of nine hundred and thirty-eight pounds, the actual weight, &c. Also, culpable remissness in paying large sums of money,

ON VOUCHERS FROM IRRESPONSIBLE PERSONS,

not officially known to the Department, said vouchers not giving the number of the cattle, or stating whether they had been weighed or estimated, and by whom; or, in the case of net weight of beef, whether the oxen had been killed, or how the estimate had been made.

TENTH.—Neglect in not sending a copy of the contract of September 17, to the various agents, as had been done with the private Bosler contract. The instructions of June 18, to receive without restriction, had not been revoked but had been strengthened by the telegram of July 20, from Commissioner Parker, ordering Captain Poole to receive without limit. That there was a collusion, in an attempt to defraud the Government, is more than probable, from the following reasons:

1. J. W. Bosler, the contractor at 6½ cents, is also a partner in the contract of September 17, at 3.88 cents, and he avers that Governor Carney, the representative of another ring, or combination of bidders, offered $40,000, if the bid of 3.88 was withdrawn.

2. A nine months' supply of oxen, say nearly 7,000 cattle, would not have been driven to the Missouri region in November, if the contractors had expected to be held to their bargain.

3. No preparations were made by the contractors to keep the cattle, or to kill them and freeze the beef. That is, no hay was provided, no horses were purchased, no herders hired, and no houses erected for protecting frozen beef.

4. A partially successful attempt was made by the contractors, or their agents, to force these cattle on the Indian agents; and they would have been largely, or perhaps wholly successful, if I had not, when in Washington, demanded to see

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the contract, and was therefore prepared to caution the Indian agents. Before I reached Crow Creek, some 400 of these cattle had been forced on an agent who had already resigned. He averred that he had given a temporary receipt, under false representations. These new cattle caused his whole herd to stampede.

STILL OTHER FRAUDS.

Eleventh.—Wastefulness of the public money in purchasing other articles, all from the same favored contractor; say bacon (with the rib bones), at 25 cents per pound; coffee at 28 cents a pound; common sugar, made from molasses, at 18 cents a pound; inferior tobacco at 85 cents a pound, and flour at 6½ cents a pound, delivered at the agencies. Also, in buying from the same person, a resident of Pennsylvania, 25,000 ninety-eight pound sacks of second quality of flour, at $3.50 a sack, delivered at Sioux City, where the market price was $2.20; purchasing all privately, from one person, instead of advertising, according to law; and not allowing bids of one thousand sacks, or more, that persons living near the reservation might find a market for their products and manufactures. Wheat could have been contracted for, at from 1 to 1½ cents per pound, and a more nutritious diet manufactured on the reservation, with existing machinery, at less than half the cost of the flour furnished.

Twelfth.—Exorbitant rates paid for freight up the Missouri river, by not allowing or encouraging competition.

Thirteenth.—Grievous wrong to the Indian Service, by allowing peculiar facilities to a superintendent or superintendents, agent or agents, having strong political friends, by which the Government has been defrauded, or the welfare of the Indians retarded.

(Signed), "WILLIAM WELSH."

PHILADELPHIA, *January* 9th, 1871.

HOW THESE CHARGES WERE MET.

To these charges of MR. WELSH, the then Indian Commissioner, E. S. PARKER, makes reply to the *Chairman of the Sub-Committee of the House of Representatives*, under date as follows:

"WASHINGTON, D. C., *January*, 13, 1871.

"DEAR SIR: I have the honor to acknowledge the receipt of your communication dated January 11, 1871, in which, by instructions of the Committee on Appropriations of the House of Representatives, you forward me, inclosed, a copy of a communication of WILLIAM WELSH, Esq., dated Philadelphia, January 9, 1871, and stating that you will receive any reply that I may be pleased to make.

"I address myself, therefore, to the charges made by MR. WELSH."

The Commissioner thereupon addresses himself to the charges made by MR. WELSH by a simple denial, in each and every case. He enumerates the charges, from the first one down to the thirteenth, and merely adds to them all the words: "I deny." (See published report of investigations, pages 7, 8, 9.) This document is called, "*Investigation into Indian Affairs, before the Committee on Appropriations of the House of Representatives.*" It occupies 121 pages,—all of which, except some 30 pages of official matter, arranged for the purpose, are composed of the "*Argument of* N. P. CHIPMAN, *late ring delegate in Congress for the District of Columbia*, in defense of the Hon. E. S. PARKER, (then *Commissioner of Indian Affairs.*"

In the course of the "*Investigation*" (?) which followed, the annexed provision of law with regard to the making of contracts was quoted, and put on record, on page 12, of the "*Reports.*" (?)

"All purchases and contracts for supplies or services in any of the departments "of the Government, except personal services, when the public exigencies do not "require the immediate delivery of the article, or articles, or performance of the "service, *shall be made by advertising a sufficient time previously for proposals respect-*"*ing the same.* When immediate delivery or performance is required by the pub-"lic exigency, the articles or service required may be procured by *open* purchase, "or contract, at the places and in the manner in which such articles are *usually* "bought and sold, or such service engaged between individuals." (Sec. 10, Act March 2, 1861, 12 Stat. 220.)

"PUBLIC EXIGENCY."

It will be observed, by the date of this act of Congress, that it was passed and

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went into immediate effect at the time the nation was involved in civil war, and when the "public exigency" was very great. What was applicable during a civil war in 1861 was by no means applicable in 1870, when the country was in a state of profound peace.

It will be observed, also, that the nature of this "public exigency," is assumed to be entirely in his own hands by the Commissioner of Indian Affairs; and that he forthwith proceeds to act on this assumption of supreme authority, in the important matter of disposing of contracts, involving the expenditure of millions of dollars of the money of the people.

In his "argument" defending Parker, as his client, MR. CHIPMAN says:

"We have no right to question the judgment of the Commissioner in the "premises. The administration of the Bureau of Indian Affairs is peculiar to "itself. It could not well be managed ("as it has been for several years past" if "the strict letter of the law were pursued in all cases," (*See Investigation Report*, 1871, *page* 13.)

The plea put in by the learned counsel for the delinquent Commissioner for his having sent forward supplies, and made contracts for more, without the previous advertising, and, therefore, without authority of law, was that "the leading representative chiefs of the *Sioux* nation," when in Washington, had threatened the Commissioner that unless their powerful warlike tribe had, immediately, *supplies* as they demanded, they would put on the war paint, arm themselves with guns furnished them by Indian traders, take the war path, and massacre such of the settlers on the frontiers as were in their power, and as many of the officers and men of the United States Army as they could inveigle into ambush.

This was the "public exigency" of Commissioner Parker—himself an Indian fighter, an Indian by birth and lineage, and wearing at the time the stars of a Brigadier-General.

Indian agents were thereupon called to endorse this "public exigency" of Red Cloud and his braves (including Sitting Bull). That they readily complied with the demand made on them by the Indian Chief-Commissioner, at Washington, is abundantly shown by their letters, published on pages 15 to 19 of the Report.

On these appeals from interested Indian agents, the Commissioner went forward to make contracts of great magnitude, without consulting the Board of Indian Commissioners, and without advertising, as the law required in both cases.

"He may have acted improvidently," admits MR. CHIPMAN; "he may have involved the Government in a wasteful expenditure of public funds; but he ought not now to be called to answer for his conduct. He ought not to be blamed."

"It was a public exigency."

The expenditures growing out of these large contracts came into this investigation at considerable length. It was shown in evidence why it was.

THE ADVERTISEMENTS WERE NOT PUBLISHED.

With regard to this matter, Ex-Secretary Cox testifies, page 77 of the Report of the Committee:

"Q. Do you know of any reason why the advertisement could not have been inserted a week or fortnight earlier? A. None; except that the General (Commissioner Parker) was in New York, busy with the purchases there, and having a good deal on his hands.

"Q. Was anybody left at the Department to attend to the business of advertising? A. Of course. The Chief Clerk is, by law, the acting Commissioner in the absence of the head of the bureau.

"Q. Was there anything to prevent his inserting it a week earlier? A. Nothing that I know of, except that he seemed to hesitate to take the responsibility; and that was the case during the whole of Commissioner Parker's absence. The General was attempting to do by telegraph from New York pretty much all the work."

Upon this question of advertising the Commissioner himself testifies as follows (page 31):

"I could not get to work preparing the thing (the advertisements) until proba-"bly a week before the proper time. I was in New York, and the matter was "overlooked in the office.

"Q. I find here, in the printed correspondence, a letter of Mr. Cady, acting Com-"missioner, to the Secretary of the Interior, dated August 13th, stating that the "office was about to advertise for proposals for subsisting the Indians. Do you

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"remember whether you were here in Washington yourself previous to that?
"A. I was in New York. I came here on the night of August 9th, and was
"here the 10th and 11th. I think I left for New York on the night of the 11th.
"Q. *And while you were in town, you extended the Bosler Contract?* A. *Yes, sir;*
"*and at the same time I probably suggested to Mr. Cady that the preliminary steps be*
"*taken toward advertising under the law.*
"Q. You say you followed the custom of the office in regard to purchasing in
"open market (without advertising); has or has not that been the uniform custom
"of the Indian Bureau, extending back for many years, to your knowledge? A.
"So far as my information goes, they have always done that, every season."

SECRETARY COX NOT CONSULTED.

On page 76 of the Report, ex-Secretary Cox denies all knowledge of the contract made by the Commissioner with Bosler, the large contract made without advertising and contrary to law, as follows:

"My impression is that somewhere about that time Gen. Parker stated that he
"was obliged, as Indian Commissioner, to *make some temporary arrangements to*
"*get some supplies between the termination of the arrangement with the Commissary*
"*Department and his issuing of his advertisements. But there was never any consul-*
"*tation with regard to contracts further than such* general statement as that."

The following question was then asked directly of the ex-Secretary, and the following answer given by him:

"Q. Were you consulted with reference to a contract made on the 17th of
"June, 1870, *prior to the passage of the appropriation bill*, made with James W.
"Bosler, for the supply of a large amount of beef, bacon, salt, pork, flour, coffee,
"sugar, soap and tobacco, to be delivered on the Missouri river; *a contract made*
"*without* advertisement, or competition? A. In reference to any contract with
"MR. BOSLER, I can say *I never heard of, or saw the name of Bosler until this in-*
"*vestigation commenced;* and consequently, *I was not consulted in regard to any con-*
"*tract with him.*"

INDIAN COMMISSIONER SMITH SHOWN UP.

In 1875, the Reverend E. P. Smith was appointed Indian Commissioner; before this Mr. Welsh had preferred the following charges against him:

"FIRST.—Agent Smith, about August 12, 1872, contracted with P. Clarke for a
"large quantity of pine timber, belonging to the Oak Point Chippewas, under
"the avowed authority of those Indians, but without making their approval a
"part of the contract, and without allowing a sufficient time for the bidder to
"visit the reservation and ascertain the value of the timber.
"SECOND.—Although the approval by the Indians was not a part of the contract,
"yet E. P. Smith sent the following telegram to F. P. Clarke, care of R. J. Bald-
"win, from Aiken, Minnesota, October 14, 1872:
"'The Indians at Oak Point deny giving their chief authority to negotiate
"'the pines. The chief confesses to the same. This seems to nullify all pro-
"'ceedings in relation to the same?
(Signed), "'E. P. SMITH,
"'[45 cents, Government rate.] *Agent.*'

"Agent Smith is thus understood to cancel *a contract he had made, without con-*
"*sulting* with *the authorities at Washington.*
"Agent Smith thus undertook to cancel the contract that had been completed.
"I trust the Commission will investigate the facts relating thereto; and, es-
"pecially, if there was any previous intercourse between Wilder and Smith,
"which seems probable, as Smith announced publicly that the Clarke contract was
"canceled."

SOLELY BECAUSE WILDER HAD MADE A HIGHER OFFER.

"THIRD.—Agent Smith acted without authority of law in making the foregoing
"and other contracts for the sale of large bodies of pine timber, which is real
"estate, and cannot be disposed of without the authority of Congress."
"FOURTH.—Agent Smith did not cancel the contract made with Merriam for
"Red Lake and Pembino pine at $2.50, although Clarke offered $3.00 for the same,
"and Commissioner Walker gave him authority to contract with Clarke, if no
"better could be done by *advertising* for *proposals.* Here is a double wrong; not

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"advertising, as suggested by the Commissioner of Indian Affairs, and refusing "the higher offer by a man whom he had wronged by canceling the White Oak "Point contract, before he knew that any higher offer had been made.

"FIFTH.—Agent Smith wrongfully, and, as it is believed, fraudulently, con- "tracted with A. H. Wilder, on November 8, 1872, for a large body of pine "timber at a rate for less than its value, say $1.15 per thousand feet, *without "advertising it*, and with the knowledge that the Indians had *refused* to assent to "the sale of their pine timber. Agent Smith kept from Commissioner Walker, "as he did from the public, the fact that the Indians at Oak Point had refused "their assent to a contract for the sale of their timber.

"SIXTH.—Agent E. P. Smith wrongfully, and, as is believed, fraudulently "attempted, on two or more occasions, to induce agent Clarke, of the Missouri "Chippewas, to cancel a contract for the sale of pine timber he had made October "2, 1872, with Rush. Wilder, writes to Agent Clarke, under date of December 6, "1872, in substance as follows:

"I forwarded you a few days since, through Major E. P. Smith, my proposi- "tion. I now, at Major Smith's suggestion, send a contract signed by myself. "Testimony on this head can be had from the late Agent Clarke now in the, "hospital at St. Paul, or from Hon. Henry M. Rice who, I believe, has the corre- "spondence in his possession."

ANOTHER FRAUDULENT SALE OF PINE LAND.

"SEVENTH.—Agent E. P. Smith wrongfully, and, as is believed, fraudulently "concerted with the Rev. E. Williams, Gen. Charles Howard, Agent Clarke, "and B. S. Simmons, of Connecticut, at Chicago last Spring, say in "March or April, for the sale to B. S. Simmons, of Hartford, "of *a large body of pine land* on the Lac de Flambeau reserva- "tion. Clarke, Howard, or Williams can testify that Smith not only "united in the negotiation, dictating the terms of the contract, but also *gave Clarke "reasons that he might assign for that fraudulent transaction.* This pine timber *had "not been advertised* for sale, and could only be disposed of *in direct violation of a "law of Congress*, authorizing the removal of the Chippewas from the Lac de "Flambeau reservation, and indicating the mode by which the land was to be ap- "praised and sold. If you will examine (the now) Commissioner Smith, he will "testify, as he did to me two days since, that he endeavored to get this contract "approved, after he became Commissioner of Indian Affairs; and that he was only "hindered by Congressmen from Wisconsin, who opposed the sale *without adver- "tising.* The parties who concocted the fraudulent sale managed to keep it a "profound secret, until Agent Clarke divulged it, because of conscientious con- "victions of the wrong into which he had been betrayed by others. By examin- "ing the late Agent Clarke, or the Hon. H. M. Rice, you will get a copy of the "contract, or of the letters written by Agent Clarke, when he sent it to Washing- "ton for approval. Colonel Clum, Chief Clerk in the Indian Department, and the "other clerks, *searched in vain for this contract, or for any trace of it, or of the letters "of Agent Clarke, which he wrote to the Indian Office in relation to it.*"

WHITEWASH, OF COURSE.

To substantiate these charges, Mr. Welsh referred the Interior Department to the Hon. William M. Rice, of St. Paul, Minnesota, a gentleman of high character and standing, familiar with the whole subject. Mr. Rice expressed his willingness to testify and produce witnesses who would make the whole matter clear, but demanded that a commission should be appointed having "full power and authority to compel the attendance of witnesses, and the production of papers;" he said that it would be necessary, in order to bring out the whole truth, to examine many unwilling witnesses, who would only testify as to what they knew when compelled so to do. This recommendation of Mr. Welsh, and demand of Mr. Rice, was not regarded by the Interior Department, and a whitewashing committee was appointed who did their work to order, and vindicated Mr. Smith.

ANOTHER REPUBLICAN WITNESS.

The next witness from whose testimony we shall quote, is Professor O. C. Marsh, of Yale College, a Republican, formerly in good standing with his party. In November, 1874, Prof. Marsh, while in charge of a party of students from the

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Sheffield Scientific School of Yale College, made a geological exploration of the bad lands south of the Black Hills, and was obliged to pass near the Red Cloud Agency. He was detained there several days by the opposition of the Sioux Indians. In endeavoring to propitiate the Indians to obtain their permission to proceed with his party, he held several councils with Red Cloud and his principal chiefs, and witnessed the issuing of annuity goods and provisions to the Indians. He found the Indians were in want of food and clothing, greatly dissatisfied with their agent, one J. J. Saville, and strong in their belief that they were systematically defrauded of the goods and supplies sent them by the Government. He was urged by all the prominent chiefs of the Sioux Indians then at Red Cloud's Agency to make known to the President the condition of things there, and promised to do so; and also to deliver samples of the rations the Indians were receiving. In the Spring of 1875, Professor Marsh had an interview with the President, gave him Red Cloud's message, and showed him the samples of the rations which had been confided to him by the Indians. At the same time he exhibited the samples to the Commissioner of Indian Affairs, and told him various things he had seen at the Red Cloud Agency.

HOW HIS EFFORTS AT REFORM WERE RECEIVED.

The President, the Secretary of the Interior, and Commissioners of Indian Affairs, instead of receiving in a kindly spirit these communications from Prof. Marsh, and immediately setting about reforming the abuses which had been brought to their attention, one and all, began a systematic abuse and persecution of the Professor. Secretary Delano addressed a letter to Clinton B. Fisk, President of his re-organized Board of Indian Commissioners, in which he stated that he desired to appoint a commission to investigate the charges of "a Mr. Marsh," relative to the Indian service at the Red Cloud Agency, and asked Mr. Fisk to suggest the names of the persons suitable for such duty. This letter, which was intended as an insult to Prof. Marsh, was published in the newspapers and was followed in a few weeks by another to the Professor, and published in the newspapers before it was received by him. In this letter he was notified that A. H. Bullock, of Massachussets, Hon. Thomas Fletcher, of St. Louis, and the Hon. Geo. W. Lane, of New York, had been appointed a committee to investigate affairs at the Red Cloud Agency, and calling upon him to produce such proofs and suggestions as he might have, to aid in securing a thorough investigation.

The next act in this farce was played by the Rev. E. P. Smith, who addressed, through the public press, a letter to the above-named gentlemen, who had been appointed as the committee, in which he stated that the charges had been preferred by Prof. Marsh, and then proceeds to give a perverted and untruthful account of what Mr. Marsh had reported to the President. All of this was done to manufacture, if possible, public opinion favorable to the Indian ring side of this controversy. However, Mr. Marsh at once addressed an open letter to the President, in which he set forth the results of his investigation into the affairs of the Red Cloud Agency. The important portions of his statement are as follows:

I. THE INDIAN AGENT AT RED CLOUD'S AGENCY.

In the first conversation I had with Red Cloud, when Gen. L. P. Bradley and Col. T. H. Stanton were present, he complained bitterly of his agent, J. J. Saville, who for the past two years has had charge of his Agency. Red Cloud's specified charges were that his agent was incompetent, weak, and vacillating, having no influence over the Indians; and especially that he was in league with the contractors to defraud the Indians of the food and clothing sent them by the Government. I regret to say that all I saw myself at the Agency, and all I learned from trustworthy observers and official records has convinced me that these charges were well founded. As soon as I met the agent himself, and observed his method of dealing with the Indians, it was at once evident to me that he was entirely unfit for the responsible position he occupied. This fact is illustrated by an occurrence, now well known, which took place a few days before my arrival, when the agent, by a single act of folly, aroused the bitter hostility of the Indians in his charge, and came near sacrificing the entire white population of the Agency. This was avoided only by the rare coolness and bravery of Lieut. E. Crawford, 2d Cavalry, who came with his company to the rescue at the critical moment. Without military protection, the agent could not have remained in charge of the Indians a single day, as their threats against him for indignities and alleged

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frauds continually practised upon them were open and violent. Of the more debasing influences which this Agency was openly exercising upon the Indians I will not now speak, although the evidence on this point was obtained by direct observation. * * * * * * * * * *

In his abstract of provision issues for November, 1874, which he rendered to the Interior Department, and which is now there on file, he (Saville) states that November 8, 1874, he issued to 12,351 Indians fresh beef amounting to 271,248 pounds, or over 260 head of cattle, according to the average weight which he allowed the contractor on the last herd received. The truth is that he issued no beef whatever to the Indians on that day, nor for several days afterward, as I ascertained from the agent himself and others at the Agency. I arrived at the Agency November 9, and was informed by the agent that he had been for some time withholding rations from the Indians until they would consent to be counted, and this fact he communicated officially to the Department, and subsequently repeated it to Bishop W. H. Hare in my presence in Washington. The first issue after the counting was finished was November 14, and I was then present, and know that for several days previously the Indians had been suffering from want of the very food he claimed in his official report to have issued. In the same manner his official reports represented other issues that never took place. * * * The incompetence and true character of Agent Saville was well known to the Interior Department before my visit, as is shown by an official report made by United States Indian Inspector J. D. Bevier, October 21, 1874. In this report the Inspector exposed a fraudulent contract made privately by Agent Saville with his father-in-law, A. R. Appleton, by which the Government would have been largely a loser. Inspector Bevier states, moreover, that while investigating the contract, Agent Saville made false representations to him, and Mr. Appleton endeavored to bribe him to silence.

NUMBER OF INDIANS AT AGENCY OVER-ESTIMATED.

There is good reason to believe that the number of Indians supplied with provisions at Red Cloud Agency has been largely over-estimated, resulting in extensive losses to the Government. According to the provision returns of Agent Saville for the fourth quarter of 1874, which he rendered to the Interior Department, there were 15,117 Indians who received rations at the Agency Oct. 1, 1874. The same official document states that on Nov. 8 (the day before my arrival) there were 12,351 Indians fed at the Agency. I was informed by the agent and other persons immediately connected with the Agency that 2,000 or 3,000 of these Indians belonged to the Northern tribes, and were encamped within a short distance of the Agency, on the north side of the White River. Agent Saville subsequently confirmed this statement in an interview with Rev. S. D. Hinman and myself, in Washington, May 31, 1875, and stated, also, that some of these northern Indians received annuities at the annual issue, Nov. 12, 1874. * * * The number of Indians actually at Red Cloud Agency, when I was there in November last, could not have been more than 1,200 lodges, or 8,400 individuals. Judging from all the information I could obtain, I doubt if this number has been exceeded within the last two years. Some observers, best qualified to judge, placed the number lower, and among these was Jules Ecofie, of Fort Laramie, whom I have known for several years. He was with me at the Agency, acted as my interpreter in one council, and is personally acquainted with nearly all the Indians there.

In regard to the issue of annuity goods, Prof. Marsh shows, by indubitable evidence, that the Agent Saville distributed in November, 1874, only eighteen bales of blankets to the Indians, and caused them to receipt for thirty-seven bales. Thus the Government and the Indians were both robbed of more than nine hundred and twenty-five blankets. Those that were issued Prof. Marsh proves were of an inferior quality, much smaller than required by the contract, and the brand on them, U. S. I. D., soon cut through, leaving holes. The manner of issue was purposely made in a confused way, so that the Indians and spectators present could not tell the amount given or required.

THE FRAUDS IN BEEF CATTLE

are thus dealt with by Prof. Marsh:

The frauds perpetrated in supplying the Red Cloud Agency with beef cattle have been so gigantic, and so long and systematically continued, that it is well

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worth while to show how they were accomplished, and who is responsible for the outrage.

The contract for furnishing cattle for this and other Sioux Agencies for the last fiscal year was given to J. K. Foreman of Omaha, and was signed by Indian Commissioner Smith, July 14, 1874. The cattle delivered were required to average 850 pounds for the first six months, and 1,000 pounds for the last six months, and the price was $2.30\frac{1}{2}$ per 100 pounds, gross weight, on the hoof. It was expressly stipulated that 'all the beef offered for acceptance under this contract shall be subject to a thorough inspection, and if, on such inspection, any of it fails to conform to the requirements of this contract, the same shall be rejected by the parties making the inspection.' The inspectors were authorized, in such a case, to require the contractor to replace the rejected cattle within five days by proper beef. If not, the right was reserved to purchase the cattle required at the expense of the contractor. A bond of $150,000, with two good and sufficient securities, was required to be given to insure the faithful fulfillment of the contract.

There is abundant evidence that this contract was not made in good faith. The contract was not filled by the party to whom it was given, but (like too many Indian contracts) was transferred for 'a valuable consideration' a few days after it was signed, to W. A. Paxton of Omaha. As this assignment could not take place, by the terms of the contract, 'without the written consent of the Secretary of the Interior,' the full responsibility of this transfer rests with him. The contract was nominally in force at the time of my visit to Red Cloud Agency. The real beef contractor, however, whom I found supplying this Agency, was the well known Bosler, notorious for frauds in previous contracts, and for this reason excluded by the published regulations from any participation in future contracts. This second virtual transfer of the contract to him was well known to every one at the Agency, and in that region, and must have been equally well known to the Interior Department.

On my arrival at the Agency, Nov. 9, 1874, I ascertained that there had been no beef used for some time, and only seven heads of cattle were then remaining over from previous issues. These seven cattle had all been receipted for to the contractor, received by the agent and was in his charge. All, or nearly all, of them were subsequently issued to the Indians. These facts, which are important, I learned at the Agency, and they were fully admitted by Agent Saville to the Rev. S. D. Hinman, the official interpreter of the Interior Department, and to myself, in Washington, May 29. These were the cattle examined, at Red Cloud's request, by Gen. Bradley and his officers, and about which so much has been said. The result of that examination is given in the following certificate, the original of which is in my possession :

CERTIFICATE OF ARMY OFFICERS.

"We, the undersigned, officers of the United States Army, were present at an interview held at Red Cloud Agency, on the 11th day of November, 1874, between Prof. O. C. Marsh and Red Cloud and Red Dog, and now bear individual testimony as to the wretched quality of the rations, and to the undersized and puny condition of seven head of beef cattle (the remainder of a herd) which were shown us by Red Cloud as having been issued to his people by the agent there stationed.

"Each of us, unknown to the other, marked at that time his estimate of the gross weight of these cattle, and remember the average thereof to be 358 pounds, Red Cloud, two other Indians, and one of the herders, asserting that these cattle were not smaller than those turned over for slaughter at any ordinary issue day.

"L. P. BRADLEY, Lieut-Col. 9th Infantry, commanding District Black Hills.

"JOHN MIX, Captain 2d Calvary,

"LEONARD HAY, First Lieut., Adjt. 9th Infantry, A. A. A.G. District Black Hills.

Fort Laramie, W. T., May 19, 1875.'

"As I was confident that the weight of this herd of cattle did not exceed 750 pounds average, this positive statement of Agent Saville to Bishop Hare that the actual weight of the cattle reached an average of 850 pounds each, as weighed by him, increased my suspicion that the whole transaction was fraudulent. I was not prepared, however, for the evidence which I found in the Second Auditor's office of the Treasury Department, where the receipts are filed as vouchers for the

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payment to the contractor. I there ascertain that Agent Saville had given a receipt for the same herd of 701 head of diminutive cattle, in which he certified that their actual weight as weighed by him was 731,485 pounds, which would make the average exceed 1,043 pounds per head. More than this, I found that according to Agent Saville's receipts, all that the cattle received during the same quarter of 1874 had reached nearly the same average, or more than 1,040 pounds each. As this is a matter of great importance, I here give the official statement as furnished by the Treasury Department:

"'SCHEDULE *of Beef Cattle delivered at the Red Cloud Indian Agency during the Fourth Quarter, 1874, as appears by accounts of W. A. Paxton on file in this office:*

Date.	Head.	"Weight Pounds.	*Furnished by*
1874, Oct. 1	663	691,509	W. A. Paxton.
1874, Oct. 20	758	783,672	W. A. Paxton.
1874, Nov. 14	701	731,485	W. A. Paxton.
1874, Dec. 3	597	621,447	W. A. Paxton.
Total	2,719	2,828,113	

SECOND AUDITOR'S OFFICE, June 7, 1875.

The foregoing is a correct statement as appears by the records of this office.

E. B. FRENCH, *Auditor.*

In other words, this large herd of cattle, which no one could fairly estimate at a greater average weight per head than 750 pounds, and which both the agent and contractor apologized for as being much inferior to their regular issues, and which Agent Saville only claimed to have weighed 850 pounds, were charged to the Government by that official as weighing more than 1,043 pounds each, and the contractor actually received pay at that rate!

AGENTS AND CONTRACTORS IN COLLUSION.

These frauds in weights, which are consummated by direct collusion between the agents and the contractor, and through which both the Indians and the Government are so greatly defrauded, form only part of the general system of theft. I have reason to believe that equal rascality is practiced in regard to the number of cattle. For example, there is conclusive evidence that the only cattle at the Agency Nov. 11, 1874, were the seven head of puny animals examined by Gen. Bradley, yet, according to the provision returns of Agent Saville for the fourth quarter of 1874, now on file in the Interior Department, he should have had 184,905 pounds, or, according to his official receipts, 179 head. It has been shown above, however, that the beef issue which he claimed to have made Nov. 8, did not take place. Hence he should have had on Nov. 11, at least 446,427 pounds of beef, or about 430 head of cattle, when he actually had only seven!

These various beef transactions took place under the contract assigned to W. A. Paxton, well known to be merely the agent of Bosler, who personally filled the contract. Although this contract had been violated in all its important features, and shameful frauds practiced in its fulfillment, Commissioner Smith did not call on the bondsmen of the contractor for satisfaction, as the law required him to do, but, on March 17, 1875, privately made a new contract with the same W. A. Paxton (or in reality with Bosler) to supply beef for the same Red Cloud Agency at a much higher price ($3 per 100 pounds) than this contractor had originally bound himself to do. This contract was illegal, as it was given by the Commissioner without advertising for proposals. The bond required in this contract was $10,000. How the contract was carried out will be seen from the testimony of Lieut. W. L. Carpenter and others given below.

AN IMPARTIAL WITNESS.

Lieut. Carpenter was with me on my expedition in November, and was subsequently stationed at Red Cloud Agency, where he had the best opportunities to observe the whole management of affairs. Mr. Lewis Reshaw (Richard) was also at the Agency, and intimately acquainted with what transpired there. Both were present at cattle issues in May last, and the results of their observation are embodied in their certificates here given:

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"I certify that on or about the 13th day of May, 1875, I witnessed an issue of beef cattle to the Indians at the Red Cloud Agency, Neb. That the cattle then issued were wretchedly poor, and about one-half of them ridiculously small. Out of about 200 head which I saw killed at that time, there were but three oxen which would be accepted by an army commissary for issue to troops. There were many yearlings in the herd, which would not net 200 pounds of beef; and to the best of my knowledge and belief, the entire herd would not average 750 pounds gross weight.

W. L. CARPENTER,
First Lieutenant 9th Infantry.

Camp near Trinidad, Col., June 22, 1875."

WASHINGTON, June 5th, 1875.

"I hereby certify that I was at Red Cloud Agency at the first beef issue in May, 1875, and that of the cattle then issued to the Indians more than one-third were yearlings. I have full knowledge of this fact, as I bought of the Indians over 60 hides of the cattle issued at that time. The remainder of the cattle left after this issue were all small, and not larger than those issued.

"In the above issues no allowance was made to the Indians for the small cattle delivered, all counting alike. LEWIS RENSHAW."

It will be remembered that the contractor received a much higher price for these cattle than for those previously delivered, and that the contract called for "good merchantable beef cattle, averaging 850 pounds," and that "if any cattle offered for acceptance should fail to conform to the requirements of this contract the same shall be rejected by the agent." The above certificates show the kind of cattle actually delivered under this contract. The kind of cattle paid for by the Government is indicated by the following extract from the records of the office of the Second Auditor of the Treasury, which is taken from the official receipts given by the agent to the contractor on which the latter receives pay. It will be observed that the general average for the whole lot is over 1,026 pounds:

MEMORANDA *of Beef Cattle delivered at the Red Cloud Indian Agency, commencing Jan.* 1, 1875, *as appears by accounts on file in this office:*

Date.	*By whom furnished.*	*No. of head.*	*Gross weight.*
1875, Jan. 1	W. A. Paxton	641	668,578
1875, Feb. 1	W. A. Paxton	437	451,203
1875, Feb. 17	W. A. Paxton	467	486,114
1875, March 1	W. A. Paxton	96	99,303
1875, March 25	W. A. Paxton	539	555,210
1875, April 1	W. A. Paxton	583	589,061
1875, April 21	W. A. Paxton	584	585,115
Total		3,347	3,434,584

Second Auditor's Office, July 8, 1875.

FRAUDS IN EVERYTHING.

Prof. Marsh points out equally great frauds in pork, flour, sugar and coffee and tobacco contracts. He witnessed an issue of pork at Red Cloud Agency, Nov. 15, 1875, and it was "old and strong; some of it was musty and unfit for human food." "The flour was dark in color and adhesive to the touch, although it had not been wet, and inferior in quality," The sugar "was dark in color, moist and of a low grade. The coffee was certainly very inferior." The tobacco "was vile stuff, dark in color, and much of it was saturated with a dark viscous liquid." It was not suitable for smoking—the only way the Indians use it.

In regard to the sufferings among the Indians, Prof. Marsh says:

"The Indians had already suffered from cold before the annuity goods were issued, Nov. 12, 1874. In consequence of this late delivery, they had no time to supplement the small number of blankets issued with buffalo robes before the winter set in. In less than a week after the issue, just as I started from the Agency on my expedition, the weather became extremely cold, the thermometer falling to 15° below zero; and as many of the Indians received no blankets at all, and most of those who did receive them found them too small to protect them from the cold, suffering was great. One of the chiefs whom I had engaged before the issue to

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accompany me, informed me, after the delivery, that he could not go, being compelled, on account of the insufficiency of blankets, to hunt for buffalo, as otherwise his family would suffer greatly during the hard Winter he said was coming. During the extremely cold Winter that followed, many of these Indians, as is now well known, narrowly escaped freezing.

"The suffering for the want of food during the past Winter and Spring is known to have been general among the Indians at this Agency. I have evidence on this point from several sources, among others from Col. T. H. Stanton, Paymaster of the army, whose duties called him to the Agency. Another army officer who has given me information on this subject is Lieut. W. L. Carpenter, who was stationed there all Winter. In a letter written at the Agency, in April last, he says: 'The Indians are all quiet now. The poor wretches have been several times this Winter on the verge of starvation, through the rascality of the Indian Ring. They have been compelled to eat dogs, wolves, and ponies.' The supply of food purchased by the Government, carefully and honestly delivered, would have prevented all this suffering."

Prof. Marsh closes his statement of frauds which have come under his observation with an exposition of the

FREIGHT CONTRACT FROM CHEYENNE TO RED CLOUD AGENCY.

The goods and supplies for Red Cloud Agency all are transported by wagon from Cheyenne, on the Union Pacific Railroad, and hence the freight contract for this route is a very important one. Mr. D. J. McCann, a well known member of the Indian Ring, has had this contract since the present Agency was established, and the official distance from Cheyenne to this point, as allowed by the Interior Department, is 212 miles. The price paid for freight, during the last fiscal year, was $1.10 per hundred pounds for each hundred miles, and the previous year $1.75 per hundred pounds was paid. This allowed distance of 212 miles was well-known to be largely in excess of the true distance. and yet no effort seems to have been made by the Interior Department to ascertain the correct distance, although its attention had been called to the subject in 1873. In the meantime, the Land Office of the Interior Department has been surveying this same region, and had the Indian Bureau of the same department desired to know the exact, or even approximate, distance, it could readily have obtained official information on that point. In November last, while I was at the Red Cloud Agency, Mr. J. W. Hammond, assistant to the Surveyor-General of Wyoming, surveyed the route from Cheyenne to Red Cloud Agency, and informed me that it was only 145 miles, and his official survey is now on record in Cheyenne.

It thus appears that the Indian Bureau has for years, knowingly, paid to a member of the Indian Ring over $15,000 per annum for service that was not performed.

WHAT DELANO'S COMMISSION REPORTED.

The Commission appointed by Secretary Delano, as above set forth, proceeded to investigate the Red Cloud Agency on the basis of the charges presented by Mr. Marsh. They examined a great many witnesses in Washington and at the Agency itself, and in due time made their report. The evidence was so clear and positive in sustaining Prof. Marsh, that the Commission did not dare to disregard it. They however exonerated Secretary Delano and Commissioner Smith from any knowledge or participation in any frauds and irregularities which they had discovered had been practised at the Red Cloud Agency. This they did after having reported that the charges made by Prof. Marsh in regard to the payment to D. J. McCann for transporting the Indian supplies between Cheyenne and Red Cloud Agency was a fraud. On this point they say:

"At the end of the year 1874–75, the Indian Office was indebted to Mr. McCann "on account of transportation for May and June, $14,568.12. This was withheld "until the 5th of August, 1875, and until after McCann had entered into con- "tract involving $100,000 expenditure, under bonds in the penal sum of $51,000. "Thus it will be seen that *there has never been an hour from the time the question of "distance was raised, when the Government has not been* able to compel McCann to "make full and fair settlements on the actual distance between Cheyenne and Red "Cloud Agencies. At this time McCann is under contract to render service which "will amount, at a low estimate, to $95,000."

During all these years, and large expenditures, the Indian Bureau has failed to

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ascertain and report the actual distance between these two Agencies of the Red Cloud and Cheyenne. It is added in the report that the War Department had been requested to complete this measurement, but had failed to do so, under Mr. Belknap.

After a full examination of the contract and transporation accounts of McCann, they concluded their report respecting him as follows:

"5. That D. J. McCann *be excluded from future contracts with the Government.*

"6. That the papers relating to the account presented by D. J. McCann, for "transportation of the property, stores, &c., of the Red Cloud Agency, from the "old to the new location, be *referred to the Department of Justice* for examination "and action.

"7. That the distance from Cheyenne and from Sidney to the Red Cloud and "Spotted Tail agencies *be accurately ascertained, by measurement,* without un- "necessary delay.

THE AGENT SACRIFICE.

In regard to Agent Saville, the report says:

"The results of our investigation *fully sustain the allegation of Professor Marsh,* "that the agent *is* incompetent, and unfit for the position he occupies; that he "should *be removed without delay,* and a competent successor appointed. His con- "duct in repeated instances exhibits *an unpardonable disregard of the moneyed* "*interests of the Government*; and which, by themselves, ought to have caused his "immediate removal from office.

"The general condition of affairs about the Red Cloud Agency produced upon "us a very unfavorable impression. The low and inferior character of the em- "ployés, one of whom was found intoxicated on our arrival there; the want of "order and neatness in the arrangement of the Government stores; and the "habitual lounging of Indian women and children around the stockade, all indicat- "ing a looseness of management, and a lack of administrative capacity which "were in keeping with the character of the agents to which we have already "referred. The clerk is, also, utterly incompetent for the position he occupies."

"The agent was forced to employ such men as Janis, Renshaw, Rowland, some "half-breeds, and others who had married Indian women, called 'squaw men,' to "go into the tepees for that purpose. These it is true were *not the most reliable* "*men* for the performance of that duty. It may be a question whether they per- "formed their duty honestly and faithfully to the government, or whether the "number is exaggerated by the dishonesty of these 'squaw men.' Yet this "census (13,423,) is the only one on which the agent has made his returns to the "Indian Bureau, and upon which he has made his distribution of supplies to the "various heads of bands around the Agency. General Bradley, U. S. A., and "other highly intelligent and well informed men, concur with Professor Marsh "in estimating their numbers at a much lower figure; and *strong facts are adduced* "*by them in support of their opinions.*

"This Commission, therefore, is by no means satisfied that this enumeration "made by these half-breeds and 'squaw men' *by the direction of the Agent,* and "under the circumstances during which it was made, can be relied upon for strict "accuracy."

Of the frauds in the issue of Indian goods they say:

"We found the system of keeping accounts at the Red Cloud Agency exceed- "ingly loose and defective, and for much of this the Indian Office is justly "censurable. *It is only within the last few weeks that the Government has supplied* "*the books to the Agent,* and required the adoption of a system calculated to "exhibit clearly the state of his accounts. Prior to that time the agent furnished "his own books, and made all his accounts in a loose and irregular manner; and "when his Agency expired, carried off all the books and accounts as his private "property. Among the orders addressed by the Interior Department, is the "following: 'All beef and other provisions shall be issued by orders of the "'Issue Clerk, which orders should pass through the office, in order to their "'appearance on the books; these orders shall be filed away for safe keeping, and "'the books and papers of the Agency be *the property of the Government, and not of* "*the Agent.*'

"With the exception of the recent order of the Department, asserting the right "of the Government to the books kept by the Agent, and *forbidding him to carry* "*them off as private property,* no attempt has been made to prescribe and enforce "this valuable recommendation; so that the books kept at the Red Cloud Agency,

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"even up to the period of our visit there, throw but a very imperfect light on its "transactions."

DELANO AND SMITH WHITE-WASHED.

The report deals with the other charges of Prof. Marsh in a gingerly fashion, and while not venturing to go too far, endeavors to cover up wherever it is possible, any fraud which is not too glowing. They sacrificed Saville and McCann, but they gave Bosler a clean bill of health.

The great object which this Commission had to accomplish was the vindication of Secretary Delano and Commissioner Smith. It mattered not if a few contractors and an Indian agent were sacrificed, so these two high officials were declared to be free of all connection with the frauds, and that no suspicion attached to their conduct. This Commission did, after the most approved fashion, and thereupon Mr. Delano with their certificate of character in his pocket stepped down and out of the Cabinet, and was shortly afterwards followed by the Rev. E. P. Smith of the Indian Bureau.

FRAUDS EVERYWHERE.

The Red Cloud Agency is not the only one at which these monstrous frauds have been perpetrated. Similar conclusive testimony is furnished with regard to frauds practiced at the Whitestone Agency.

The facts in every case, as adduced before the Indian Committee of Congress, abundantly prove that what is established as Indian frauds by the testimony recorded in these pages, is equally true, relatively, of all the Indian agencies. The witnesses all agree substantially, in testifying before the Congressional Committees to the truth of the same facts; in spite of the false impression sought to be conveyed by interested parties on the Committees and elsewhere.

During the investigations of the Indian Committee, appointed by the XLIIId Congress, First Session, to inquire into and report upon Indian supplies, transportation and contracts, it appears on the testimony of sworn witnesses, that a change from the prescribed distribution of flour, to an unauthorized distribution of corn, was made at the Red Cloud and Whitestone Agencies. This change was made by the Indian Commissioner in 1873, without advertisement for bids, without consultation with the Board of Indian Commissioners, and without, therefore, authority of law. The Indian Commissioner had no more right, as is proved by this Congressional investigation, to change this contract from flour to corn, and to incur the extra expense of its transportation through the Indian territory, than he had to make new contracts for any other purposes. Yet it appears that this commissioner, in default, and even in defiance of law, as one of the results of one of his confidential and professional tours among Indian agents and Indian contractors at the West, takes upon himself the authority to order these important changes in supplies and transportation at a greatly increased cost to the people and Government of the United States.

CONGRESSIONAL INVESTIGATION.

The proof of these facts is found in the official report of the U. S. H. R., doc. 778, page 202. The majority of the committee making this report is composed of gentlemen belonging to the Republican party.

It appears, on investigation before this committee, that testimony was submitted to the Board of Indian Commissioners showing that the agents at all the different agencies included were dissatisfied, on account of complaints among the Indians themselves, with this abrupt and unauthorized substitution of corn for flour. It was not until the managing contractor visited all these agencies, and explained to the agents that the corn was to be ground in their mills; that where they had not a mill they would be furnished with one; that sacks would be supplied, in which the corn should be issued; that the change was assented to. It thus appears that the plot was carried out for overriding the previous advertised contract for flour for this unadvertised contract for corn, to the injury of the recipients of the supply and at a large expense to the country, in loss of time by shrinking and transportation.

This system of exchange appears to have become well understood between the Indian Commissioner and his pliant contractors. In a letter dated at the Interior Department, June 28, 1873, the Commissioner writes to one of these parties, at Saint Paul, Minnesota:

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"SIR: I have been unofficially informed that there is a large surplus of flour at "Fort Peck. Before any other shipment of flour is made to that point, I desire "to know exactly the amount of flour on hand at the Agency. You will, there- "fore, ship no flour for that point, except as it shall be ordered by this office, or "the agent.

"Please inform me at what rate of exchange you will furnish corn for flour, on "your contract with this office.

(Signed.) E. P. SMITH, *Commissioner.*"

This correspondence covered the exchange of corn for flour at Yankton, Upper Missouri, Grand River, Cheyenne and other Agencies. The wider the territory covered by this exchange the greater the profits to contractors, the greater the cost of tranportation, and the more the opportunities for fraud on the revenue. By these arrangements between the Commissioner and his contractors, four thousand sacks of flour were commuted into corn, or not shipped at all, at Milk River Agency; two thousand sacks at Grand River; at Upper Missouri one thousand; Cheyenne River, one thousand.

DONE IN SECRET.

These transmutations of flour into corn were not made in open market. They were not made by advertisements for contracts with the lowest bidders. They were made by secret understandings between the Indian Commissioner and his obedient agents, stationed at convenient points, and operating through banks provided for the occasion. From Fort Peck to Fort Randall, covering a vast extent of Indian territory, these unauthorized transmutations were carried on, until hundreds of thousands of sacks of flour were trunsmuted into their proportionate thousands of sacks of corn, at a great profit to Indian contractors, but at a great loss to the tax-payers of the country by the exchange, and a vast cost of wasteful and uncalled-for transportation. In every case the Commissioner, agents, traders and transporters put into their own pockets the immense sums of money they thus defrauded from the country.

As one among many instances in which these corn-flour frauds were carried on, the following fact is submitted. By the prompt and upright action of a special committee of the Board of Indian Commissioners, who had investigated a part of these frauds brought under their notice, a transfer swindle was discovered at Fort Peck, and the attention of the agent was immediately called thereto. Whereupon, under date April 24, 1874, he telegraphs the Commissioner, as follows:

"Have found original figurings. You were to have had one hundred and "twenty-five and one-third (125⅓) pounds of corn for each one hundred (100) "pounds of flour. Can't understand how the mistake was made in the written "proposition. Upon this basis there is due Peck eighty-three thousand five hun- "dred and fifty-six (83,556) pounds of corn, or three thousand one hundred and "thirty-three dollars and thirty-four cents ($3,133.34). Shall I ship corn, or re- "fund money? Answer by telegram. Have written fully."

This is only one among several hundred corn-flour transactions among the Indians, of which the agent writing from St. Paul, to his partner, the Commissioner, at Washington, naively adds:

AN UNFORTUNATE MISTAKE (?).

"Explanatory of this unfortunate mistake, involving, it will be seen, nearly "$4,000), I must say that I have no conception of how it occurred, having never "referred to the figures or proposition since making them. The basis of ex- "change having been arranged between you and us at St. Paul, we gave no par- "ticular attention to it, supposing our young man had correctly apportioned the "amounts."

An estimate of the cost of transportation resulting from this illegal exchange of corn for flour is thus given in the official account of the Agent at St. Paul, as published by order of the Republican Congress of 1874.

"Cost of 125⅓ lbs of corn at Sioux City, at $1.25 per 100	$156 66
"Freight on 125⅓ lbs of corn from Sioux City to Peck, at $2 per 100	250 66
"Total cost of 125⅓ lbs of Corn, at Fort Peck Agency	$407 33
"To which add the profit he would have made on the flour delivered, as shown below, say	62 67
	$470 00

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"We greatly deplore the trouble and annoyance this mistake must have caused "you, particularly at this time. * * * Should you so elect, we will forward "the corn at once, to make up the deficiency.

(Signed) A. H. WILDER, *Indian Agent*,
St. Paul, Minn.

"Hon. E. P. SMITH, *Commissioner of Indian Affairs*,
"Washington, D. C."

[*Vide* Report No. 778, H. R., 43d Congress, 1st Session, p. 209.]

WITHOUT THE KNOWWLEDGE OF INDIAN COMMISSION.

It was stated by one of the Indian agents that corn could not be practicably issued to the Indians as rations at a less cost than ten cents a pound. In some instances it was found that it required two pounds of corn to equal one of flour.

All these purchases, transfers and transportations, were carried on by the Interior Department without the formality, accompanying the original contract for flour, of submitting the same to the Board of Indian Commissioners for their approval, and without public advertisement. This fact is admitted by the Assistant Attorney-General, in a letter, dated from the Department of Justice, at Washington, November 15, 1873, addressed to Mr. Delano, late Secretary of the Interior. This decision of this law officer of the Government gives his endorsement to secure the payment of over fifty thousand dollars to one contractor alone, on account of his unlawful exchange of corn for flour, and transportation for the same.

This fraudulent account of this Indian contractor was disapproved by the Board of Indian Commissioners and was so reported to the Interior Department. Notwithstanding this fact, the fraud was approved by the Department, and the money, with many other like sums, paid out of the United States Treasury. The aggregate of this corn-flour fraud is not less than three hundred thousand dollars. The number of Indian agents more or less engaged in this swindle is seventy-eight. It appears from this investigation that in all such cases the decisions of the Board of Indian Commissioners are ignored altogether, the decisions of the Secretary of the Interior being supreme.

INVESTIGATION BY DEMOCRATIC COMMITTEE.

The Indian Committee of the House of Representatives, at the last session of Congress; took over four hundred pages of testimony in regard to Indian frauds.

Among other facts elicited at the commencement of this investigation is the following statement by a prominent business man:

"*Question by the Committee*: Had you been accepted as a contractor, what "would have been your chance to have committed frauds upon the Government?

"*Answer*: That is just exactly owing to what chance I might have seen fit to ex-"ercise. I could have delivered the goods honestly and faithfully, or I might "have stolen one-half of the goods, and delivered the other half and got receipts "for all."

This short answer is a key to all the Indian frauds.

TESTIMONY OF GEN. CUSTER.

We pass a large amount of other valuable testimony, in order that we may give the official statement of this distinguished cavalry general. His words come to us on this occasion like the voice of a witness speaking from the dead.

GEN. CUSTER appeared before the Committee of Investigation into the conduct of the war, when summoned by order of that committee, on the 29th of March, 1876. In a few short weeks after this valuable testimony here recorded closed, he was dead—dead on the field of battle. In answer to the inquiries put to him, his testimony covers the entire body of facts showing the Indian frauds already enumerated.

INTRODUCING INTOXICATING LIQUORS.

The first testimony of GEN. CUSTER is with regard to the introduction of intoxicating liquors among the Indians, at Fort Lincoln, Dakota. It was proved by GEN. CUSTER, in this investigation (which was made by him on the order of the War Department), that intoxicating liquors were introduced at Fort Lincoln by the Agent. His excuse was that he had done so by military authority, although in violation of the revenue laws.

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GEN. CUSTER further testifies that this agent was an unfit person to hold the appointment of post-trader, on account of the bad influence he exercised over young officers by his habits of intoxication. Other agents are as bad.

This is the same post-trader of whom testimony is given :

"The Secretary of War (W. W. BELKNAP) is a party indirectly interested with "the firm of which the newly appointed trader at Fort Lincoln is a member."—[*Vide Report, page* 153.]

The order of the removal of the old post-trader at Fort Lincoln and the appointment of the new one is filed with the papers. It is in the handwriting of PRESIDENT GRANT.

It was thereupon found by GEN. CUSTER that the partnership contract with the new post-trader included the exclusive monopoly of the sale of whisky at Fort Lincoln, not only to the Indians, contrary to and in violation of the revenue laws, but to all the officers and men at the post. Complaint was immediately made to the then Secretary of War (BELKNAP). The Secretary immediately set up the claim, and so notified GEN. CUSTER (quoting the circular issued by the War Department) that "the exclusive privilege of trade upon the military reserve shall be guaranteed "to the post-traders ; and no other person will be entitled to trade, peddle or sell "goods, by sample or otherwise, within the limits of the reserve.

"The Secretary of War has only to repeat that any violation of these circulars "will be promptly acted upon by him.

(Signed), "WM. W. BELKNAP,
Secretary of War.

"Official copy.
"E. D. TOWNSEND.

GEN. CUSTER testifies that this order of the late Secretary (BELKNAP) compelled the officers in command to purchase at their peril everything that they or their men might want, even to the supplies of their own families from the monopoly post-traders.

PARTNERSHIPS WITH POST-TRADERS.

GEN. CUSTER further testifies that all post-traderships were conducted in the manner thus guaranteed by authority of the late Secretary of War (BELKNAP), and indorsed in the handwriting of PRESIDENT GRANT. This monopoly of the post-traders was a matter of common report among officers and men, and well known to GEN. CUSTER. To the truth of the facts here stated the post-trader at Fort Lincoln subsequently made confession to GEN. CUSTER, and the record so states.—[*Vide Report, p.* 154.]

The amount of yearly profits of the post-trader at Fort Lincoln was confessed by him to GEN. CUSTER to be $15,000; which, with other profits, were divided among his partners.

Similar testimony was laid before the Committee of Investigation with regard to Forts Rice and Sully, and other trading posts among the Indians.

Gen. CUSTER further testifies that the post-trader monopoly was not confined to the stores of the traders. It extended to the Commissary Department of the War Office. The authority of the late Secretary (BELKNAP) was brought to bear on all the officers and men, compelling them to trade only with the post-traders, even for articles usually procured from the commissaries.

GEN. CUSTER further testifies (Report, page 155) that in traveling from St. Paul to his post of command, Fort Lincoln, he met with several post-traders, who he names (one of them the brother of the President of the United States), from whom he ascertained the fact that all these post-traders (the President's brother included, and who have been appointed by him) were directly and indirectly interested in the profits of these and other post-traderships. Five trading posts of this class are mentioned in the testimony of GEN. CUSTER.

Transportation was furnished to the brother of the President at the public expense, as a member of the President's family. The single trip referred to involved several hundred miles of travel, the President, by special proclamation, having extended the bounds of the reservation to which his brother was appointed, so as to cover the largest possible area of Indian territory.

The testimony of Gen. CUSTER (pages 156, 157, 158,) proves that by the extension of the Great Sioux Reservation, by proclamation of the President of the United States, in connection with the appointment of his brother as Indian agent, the extension added greatly to the profits of the traders included in the reservation. The

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consumption of intoxicating liquors among the Indians was very much increased, at the same time. It was the general impression along the river that the object of the proclamation was to benefit the traders.

THE CORN-FLOUR FRAUD.

Fort Peck, to which post the attention of the reader has been repeatedly called in preceding pages of this document, is in the Great Sioux Reservation. It was at this post, it will be remembered, the largest frauds in the transmutation of corn into flour took place among the Indians. GEN. CUSTER testifies that the whole transaction opened the door to frauds. The corn sent to his post was so fraudulent, both as to quantity and quality, that he refused to receive it. There were eight thousand sacks of corn sent to Fort Lincoln, of this character. The refusal of GEN. CUSTER to receive them was telegraphed to the War Department, at Washington. Forthwith there came an order to him from head quarters that corn must be received. It was done.

GEN. CUSTER regarded the circumstance as very suspicious. He was satisfied the sacks of corn belonged to the Indian Department, and had been sold to the Indians. On weighing it at the post, it was found that every sack that had been weighed under the supervision of the post-trader fell short from twelve to fifteen pounds a sack. Yet the agent charged the Government $50 for the services of the sergeant who weighed or hauled the corn, although the Government had already paid the sergeant as a soldier. These $50 went to the sergeant, to pay him for for making false weights, for the benefit of the contractors, and to the loss of the revenue.

This corn, although previously paid for by the Indian Department, was paid for over again, on vouchers sent from the War Department, by the late Secretary of War, (Belknap).

This corn-flour fraud was perpetuated at Fort Lincoln in the month of September, 1875. Previous to that time, when Rev. E. P. SMITH was Indian Commissioner, other frauds were committed on the Indians in that vicinity. It was known to GEN. CUSTER that at Bismarck, opposite Fort Lincoln, a man named Raymond was secretly furnished with eight sacks of this Government flour, intended for the Indians.

IN ANOTHER CASE.

In the personal knowledge of GEN. CUSTER, an Indian storehouse at Fort Berthold was burned to the ground. It was soon after discovered that this same man Raymond had an extra supply of flour. The Winter came on and the Indians were starving. Raymond at once began selling this flour at exorbitant prices. Neither cars nor boats were able to bring supplies. Navigation had closed just as the Indian storehouse was burned. The Indians had to apply at the post to keep themselves from starvation. GEN. CUSTER availed himself of his authority to investigate the case. He found the Indians were reduced to the extremity of eating their ponies to save their lives. He found a law authorizing the feeding of Indians temporarily at a military post. He therefore ordered these suffering creatures to be brought up to the post, where he fed them with army rations; there being a sufficient supply at the post at the time.

The Indian Bureau was applied to for consent to allow the War Department to loan the supplies. The answer came from REV. E. P. SMITH, then Indian commissioner, that the Indian Bureau preferred to feed the Indians; and would not accept the loan, although the suffering condition of the Indians was well known

FRAUDS BY SMUGGLING WHISKY.

GEN. CUSTER testifies (page 160) that there was a great deal of smuggling, particularly in the whisky trade, across the British border. A contractor at the post informed the General of the coming of the late Secretary of War (BELKNAP) to the post, and that one of his objects was to facilitate the smuggling of whisky across the border, so that it should be obtained at reduced rates by the traders, and therefore sold to greater advantage by them and their partners. The details of this secret arrangement for defrauding the United States Revenue for the benefit of American Indian traders, and Canadian and American Whisky Rings, have never transpired; but that the smuggling was carried on for a long time while BELKNAP was Secretary of War does not admit of a doubt. General Custer's testimony (page 161), proves that Indian agents have been known to take

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goods from the Indians storehouses, and secretly pass them at night to the Indian traders, where they were fraudulently sold over the counters to the Indians. This has been done repeatedly within the last four or five years.

At Bismarck, opposite Fort Lincoln, there were parties secretly stealing Government supplies. They did this by bribing one of the soldiers in the Winter of 1874, when the cold was greatly increased at the post. This soldier had been stationed to watch the corn, but they bribed him by paying about half the value of a sack. In that way, by little and little, hundreds of sacks had been stolen by the agents of the Corn Ring. Thousands of bushels had been stolen before the thieves were found out. Some of them were connected with traders; butthey were arrested, and are now serving out their terms in the Penitentiary.

GEN. CUSTER RECALLED.

Early in April, 1876, GEN. CUSTER made his last visit to Washington. He was then recalled before the Indian Investigation Committee, and asked to answer why he and other officers of the army, knowing these Indian frauds to exist, had not interfered to prevent them? In reply the General said:

"It is principally because of the existence of an order issued by the Secretary of War, March 15, 1873, that 'no officer, either active or retired,' I am giving the words of the order, 'shall directly or indirectly, without being called upon by proper authority, solicit, suggest or recommend action by members of Congress for or against military affairs. Second, all petitions to Congress by officers relative to subjects of military character will be forwarded through the General of the Army and the Secretary of War for their action and transmittal. Third, an officer visiting the seat of Government during a congressional session will, upon his arrival, register his name at the Adjutant-General's office as now required; and, in addition, address a letter to the Adjutant-General of the Army, reciting the purpose of and time that will be embraced by his visit, and the authority under which he is absent from his command or station. The purpose or object so recited will be the strict guide of the officer during his stay."

In the opinion of GEN. CUSTER, this order of the late Secretary of War (BELKNAP) sealed the lips of army officers as effectually as it could be done.

The order has always been strictly enforced under BELKNAP. It is still in existence, and still carried out by the GRANT Administration.

When the Democratic House of Representatives, at the last session of Congress, attempted to cure the manifold evils of the Indian service which have been pointed out by Republican witnesses whose testimony we have quoted, the whole power of the Administration, and the Republican majority in the Senate, and the minority in the House, was brought to bear to defeat it.

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THE PRINTING FRAUDS.

THE PRESIDENT AND THE SENATE RESPONSIBLE FOR FLAGRANT VIOLATIONS OF LAW.

To enable the reader to understand the various methods by which the public printing has been done since the establishment of the Government, we will briefly state—

First. Congress, upon the establishment of the Federal Government, followed the example of the colonial legislative bodies, and had its printing done under the direction of the officers of the Senate and House of Representatives, by the publishers of newspapers in the city in which it assembled.

Second. In 1819 Congress established a tariff of prices by which the printing was to be done and each House elected a printer. These prices were revised in 1828.

Third. In 1846 Congress adopted the contract system. In 1852 a superintendent was appointed to inspect, certify, establish prices and generally supervise the work.

Fourth. In 1860 Congress bought of Cornelius Wendell, the present Government printing office with all its contents.

Up to 1819 no serious fault was found in the manner in which the printing for Congress was done. The extent of the work was, of course, very small as compared with that required to be done at the present day. It was thought, however, in 1819, that the cost of the printing could be greatly reduced by the establishment of a scale of prices, and accordingly this was done. There was complaint, however, from time to time, and finally in 1846 the contract system was adopted. This worked well at the beginning and great savings were made but no inspection of the work was provided and the contractors began to defraud the Government by the use of inferior paper and by otherwise doing the work in a slip shod manner. After a superintendent was appointed in 1852 these defects in the law were remedied. The Government purchased the paper to be used through the President of the Senate and Speaker of the House after advertisement, and the superintendent issued it as required by the printer. This proved a complete check against frauds in paper as the superintendent had to make a detailed report to Congress of all the paper purchashed, the quantity and quality, the prices paid and the amount issued. He could not furnish a less quantity to the printer than each document to be printed required. The printer could not call for a greater amount than was necessary, because he would lose the cost of the quantity over and above what was required. The superintendent could not supply more than was needed, for his report to Congress would show the fact, and thus the printer and the superintendent operated as a check upon each other. The great trouble, however, was in the election of a printer, as often this

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would not take place until one month to six weeks after the commencement of each Congress, and as the appointee had to make arrangements for doing the work after his election, it would be from six weeks to two months before the first work was finished. Again, practical printers were not always elected. Had competent men always been selected, and elected early in the session, there would have been no delay and thus this evil would have been remedied. The printing was under this system honestly, economically, and faithfully done for Congress, and such were the opinions expressed in the speeches delivered in the Senate in 1859, when the bill to establish a Government Printing Office was under discussion. These opinions were very forcibly, clearly, and fully expressed by Senators Cameron and Hamlin, who were then the only practical printers in the Senate. Senators Fessenden and Pugh also approved of the contract system, and predicted as others did, the frauds and extravagance that would occur if Congress established a Government Printing Office. The same view of the subject was taken by the ablest members of the House.

THE ESTABLISHMENT OF THE GOVERNMENT OFFICE.

The establishment of a Government printing office was chiefly advocated by parties who expected to be benefitted thereby. Chief among the persons thus engaged was Mr. Cornelius Wendell, who then had the contract to do the printing for Congress and was anxious to sell his establishment to the Government, at an exhorbitant price because he was financially embarrassed. It was notorious that he was practicing great frauds in the printing for the various departments, especially for the Post Office. The whole matter was investigated by the Senate Committee on Printing, which was composed at that time of Senators King, Slidell, Powell, Kennedy and Anthony. This committee found that the scale of prices could be reduced, aud in their report pointed out how Wendell had swindled the Government in the prices charged for document work. The majority of the committee, Messrs. Slidell, Powell and Kennedy, recommended in their report that the printing and binding be given to the lowest bidder, who should be required to furnish ample security for his faithful performance of the work. The minority, through Mr. King, stated in their report that the printing rates were too high under the present system, because there was so much discretionary power to vary the profits by the manner of giving the orders, and said that there should be a reform in this respect. They recommended giving out the printing to the lowest bidder as a measure of security against frauds and corrupt profits and excessive expenditures. The House had an investigation at the same time and the majority report recommended that no person should be elected who was not a practical printer, and that he should execute a bond; that a Superintendent, who should also give bond, should be elected, who would supervise the giving out of the work and pass upon the quality thereof, as well as the prices to be allowed therefor. A scale of prices based upon those of 1852, but reduced forty per cent., was recommended. The Printing Committees of the two Houses examined all the witnesses who were practical printers or supposed to have any knowledge of the subject as to the feasibility of establishing a Government printing office. Those printers who had the most extended knowledge of the business, who were conducting large establishments of their own and were not competitors for the work to be done, pronounced decidedly against the plan of a Government establishment to do the work. Among those witnesses were Messrs. Bowman, Moore and Rives. Mr. Rives gave it as his opinion that the printing would cost from fifty to one hundred per cent. more if it was done by the government itself, and said that he would stake his establishment and risk his reputation as a printer on the result if the experiment was made. The persons who advocated the Government establishment before these committees were Wendell, English, Larcomb, Towers and Defrees. Wendell, as has already been stated, was bankrupt and was desirous to sell his establishment to the Government because he could thereby obtain a much greater price for it. English, Larcomb and Towers were clerks or employés of Wendell's. Defrees had just been an applicant for the position of public printer and defeated. He expected to be made Superintendent of the Government office, if one was established, and in this he was not mistaken.

Such were the witnesses who advocated and opposed the establishment of a Government office and the reasons on which they founded their opinions. It should be stated that Mr. Moore had charge of the *National Intelligencer* establishment and was not an applicant for any work. That Mr. Rives printed only the debates

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of Congress, the system of giving verbatim reports having been founded by him. He was not a bidder for any of the Government work. Mr. Bowman was Superintendent of Government printing, and the result could not possibly affect him one way or another; he was a disinterested witness. He was a gentleman of great practical experience, had long been superintendent of printing and was competent to give an intelligent opinion upon the various systems suggested.

THE CHANGE CONSUMMATED.

The act establishing a Government office became a law notwithstanding the warnings of the most experienced persons, both in and out of Congress. It should be observed that the tariff of 1852 was then in use, and the Printing Committees of both the Senate and the House unanimously reported that the rates allowed were excessive, and the House Committee on Printing recommended a reduction of forty per cent. Senator Anthony was the strongest advocate of the Government Printing Office, as he has since been its great defender. In a speech which he at that time made upon the cost of the work done for the Department, and the frauds committed by the printers, he used the following language:

"The price of printing the post-office blanks, as of the other printing, is fixed by law; but by a monstrous evasion and perversion of the law, constructive charges were allowed four times greater than the just and legitimate charges. The types were set once a year, and charged for setting every day, often three or four times a day. I will explain the manner in which this was done. Two elements enter into the cost of printing these blanks—composition and press-work. Composition is setting the type; press-work is striking off the sheets after the type is set. The price of composition on a sheet of these blanks was $13; the price of press-work was $1 for a thousand sheets. The type, once set, would last for millions of impressions. It was generally stereotyped. If an order was given for one thousand sheets of blanks, the bill would be: for composition, $13; for press-work, $1—$14 a thousand. If the order was given for 10,000 sheets, the bill would be: for composition, $13; for press-work, $10—$23; or $2.30 a thousand. If the order was given for 30,000 sheets, the bill would be: for composition, $13; for press-work, $30—$43; or $1.43 a thousand; and all under the same law, and at the same nominal price. No charge should have been made for composition except in the first instance. Mr. Rives printed the blanks for nine years and never made a single charge for composition—not once, not in the first instance. He, a practical printer of great experience, was consulted in framing the law, and it never occurred to him that composition would be charged under it. He would as soon thought of guarding against an extra charge for ink."

It will be observed that he pays a high tribute to Mr. Rives. It is important here to observe carefully the manner in which the frauds were committed, because it will subsequently appear that the same system has been practiced in the Government office under the administration of Mr. Clapp.

A GREAT SOURCE OF ABUSE.

Upon the proposition of establishing a Government office, Mr. Burnett spoke as follows: (Congressional Globe, vol. 41, page 2504.)

Now, when we have bought or built a printing establishment, when we have the presses and all the other necessary materials ready, how many employés will be found there? How much will it take to start this immense machine? How much will it cost to build the establishment, provide it with presses and other material, and then, how much will it cost to keep it in working order? All these are pertinent questions. With all due respects to the gentlemen who favor the amendment of the gentleman from Ohio, and who may, perhaps, know more about the public printing than I do, I must be permitted to say, that in my judgment a few years' trial of such a vast concern will demonstrate its impracticability. It will prove the means, I think, of corruption that will smell badly in the nostrils of the people. It will, sir, in my judgment, be a heavy drag upon the Treasury. Hence I shall vote against it.

Senator Pugh spoke as follows, (page 3060 of the Congressional Globe, vol. 42):

Now, sir, I am opposed to this Government Printing Office. It will be the worst job, the worst nuisance, an incubus that you cannot get rid of, unless you

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set it on fire and burn it down. Once let it be established, and it will be the greatest source of abuse and corruption. There will be committee of investigation after committee every session to overlook it. I do not want any more departments added to this Government; I do not want any more establishments. We have got enough, too many, now; and I cannot understand why the business of printing cannot be left to the ordinary law of competition, as every other business is. If we want a house built for a particular purpose, and do not choose to build it ourselves, we hire some person to build it; we receive proposals from him; if he does it according to contract, we pay him; if he does not, we do not pay him; and I cannot conceive what there is of mystery about this matter to take it out of the ordinary rule. The experience of my own State is in favor of the contract system. The work is better done, more cheaply done, and more promptly done. It has been a great relief to us.

But despite the discussion, despite the remarks of gentlemen who appeared to speak with prophetic knowledge of what would follow the establishment of a Government Printing Office, it was established by a joint resolution of the two Houses of Congress, and an evil was fastened upon the Government that has grown with years.

Now, let us recapitulate. The office of Superintendent of Public Printing was established by an act approved August 26, 1852, (Statutes at Large, volume 10, page 30). The Superintendent of Public Printing was authorized to contract for the erection or purchase of a Government Printing Office, by joint resolution of June 30, 1860, (Statutes at Large, volume 12, page 117). The office of Superintendent of Public Printing was abolished, and that of Congressional Printer created February 22, 1867, (Stats. at Large, volume 213, page 88). John D. Defrees was elected Congressional Printer in February, 1867. In 1869, Mr. A. M. Clapp was elected, and has since held the office, a period of about seven years.

THE GOVERNMENT OFFICE MONOPOLIZES EVERYTHING.

In 1873 the *Congressional Globe*, established in 1833 by John C. Reeves, in which verbatim reports of the debates of Congress were given, was taken from his successors, and the printing of the debates ordered to be done at the Government printing office, it being alleged that this change would result in a great saving to the Government. We abstract the following from the debates in the Senate on this proposition:

Senator FRELINGHUYSEN (Globe, vol. 73, p, 1512), said:

We are told this change will be a saving of $40,000; but how is that estimate made? That estimate is made, not by a person who is going to take the contract, and who is unaffected entirely by the question whether his estimate is correct or incorrect, and I have not a great deal of confidence in it. Besides, I believe it is the true interest of the Government to make as few contracts, to undertake as few jobs, whether in printing or in building railroads or canals, or anything of that character, as possible; but to make contracts with individuals, and make them strictly and have them rigidly enforced.

Senator MORRILL, of Vermont, (Congressional Globe, vol. 73, p. 1512), said:

If this change should be made, I have no idea but that, instead of making $40,000 for every two years of Congressional printing, we should run under at least $50,000 a year.

And again (page 1513), he said:

I do not believe that we are on the road to retrenchment by making this change; but I believe that if it should be made we should revert and turn back to the same system within four years.

Senator FESSENDEN (Globe, vol. 73, p. 1514), said:

As it stands now, the question is whether we should gain or lose by it. My opinion is that we should only lose by attempting to do it, because I think it is overburdening the Public Printer; and I think those men who have done the work so well and so long, that their judgment as to what they can do it for, as they certainly must be very desirous of getting the contract, is a good deal better than the judgment of anybody else.

Senator HENDRICKS (Globe, vol. 83, p. 1513), said:

Mr. President, nothing is more deceptive than public estimates; we know that in the great body of the work that is done for the Government, the construction of public buildings and repairs, and all that. Now, sir, I have very little confidence in the estimates that are presented here from the

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bureau of public printing, if it may be so called. I do not believe that this printing will be done at the Public Printing Office for the price that we are paying the present company. I do not expect it to be done for that price. I know that the Government never does work as cheap as individuals do it. Ordinarily we can pay individuals for work done and a reasonable profit, and save money to the Government, rather than do it directly through the agents of the Government. This work has been carried on a long while by this office, to the satisfaction of members of Congress. It reflects credit upon the Government, and I am very reluctant to see a change made. In the course of a Congress I believe it is now claimed that there can be a change made in favor of the Treasury of forty or fifty or sixty thousand dollars. When we come to test it by experience, I think that the change will be the other way; it will cost that much more than it does now.

MORTON THEN AGREED WITH HENDRICKS.

Senator MORTON (Globe, volume 73, page 1515), said:

I have no faith myself in the Government directly procuring heavy work of this kind to be performed cheaper through its own immediate agents than by contract. It is contrary to all governmental experience. Whenever the Government has work to be done of a continuous or important character it has uniformly been found to be cheaper to let it out, under fair terms of contract, than to undertake to execute the work itself.

If the Government has a harbor to repair or construct, or any public work to do, it has been found cheaper by experience to let it out by contract than for the Government to undertake, through its own agents, to hire the hands and execute the work. The Government tried that experiment once in the construction of the Cumberland road. The construction of that road was first put under the care of engineers, with authority to employ superintendents and agents, to hire the hands and construct the road, without the intervention of contractors; and I believe it is a notorious fact that the work cost the Government at least twice what it would have cost if it had been let out under fair terms of contract; and more than that, it progressed far more slowly than it would have done if it had been fairly contracted for.

Why, sir, the operation of this principle is so well understood that railroad companies, private corporations, where they have a railroad to construct, will not undertake to construct it directly by their own agents. Some roads have attempted that; but they have been, I believe, uniformly unfortunate. I remember one instance where a railroad company undertook to build a road through its own superintendents, to employ hands, and superintend them; and after having partially constructed the road it was compelled to abandon that system and resort to the ordinary one of contract, where the work is let out to contractors under fair competition.

Now, sir, if the Government of the United States can save money by undertaking to execute a long and heavy work of this kind directly through its own agents, I undertake to say it will be the first time that that experiment has ever been successful. As I said before, it has been tried in regard to railroad companies, where the parties managing the company were directly parties in interest; and it has been found, even with regard to railroad companies, that it is to their advantage to let the work out to contractors and allow the contractors to make fair profits, and that they can construct the work cheaper and faster.

As this is the almost universal experience with regard to the Government in other particulars, with regard to corporations, with regard to the construction of all works of improvement, it seems to me there is no reason to suppose that the Government can execute this peculiar work cheaper through its own agents than it can by contractors, with fair competition.

THE SENATE COVERING UP FRAUDS.

In 1874 the State Committee on Printing, Mr. Anthony, chairman, made a pretended investigation of the workings of the Government Printing Office. It was alleged then that the Congressional printer was charging the departments enormous prices, far beyond the actual cost, and that by this means he created a large surplus which enabled him to do other work for less than cost, and some for nothing; that he charged more for paper than it cost. The committee made a report completely exonerating Mr. Clapp, the Congressional printer, although the testimony shows that the charges of fraud were established by competent proof. After the committee had commenced the investigation other charges were preferred against Mr. Clapp, but the committee positively refused to receive them. They were especially resisted by Senator Howe, a member of the committee, in so arrogant a manner that spectators present freely commented thereon. The attorney who conducted the defense of Mr. Clapp before the committee was Dick Harrington, who but a short time previous had concocted the infamous safe burglary conspiracy, and was then being investigated himself by the joint committee on the District of Columbia. It has long been conceded that the Printing Ring has been a formidable organization. Investigation after investigation has taken place, yet no matter how glaring the frauds, the Congressional Printer, Mr. Clapp, was always vindicated.

THE DEMOCRATIC HOUSE EXPOSES THE FRAUDS.

At the commencement of the Fourty-fourth Congress the Democratic House of Representatives determined to give the Government Printing Office a thorough overhauling, and expose the frauds and swindles which were universally believed to have been practiced by the parties interested in the management of that concern. It must be borne in mind that the Republican party is responsible for the

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establishment of the Government Printing Office, and has steadily resisted every effort looking to a careful examination of its workings. Under the system of doing the printing at this establishment the cost has been steadily and largely increased, and for years from $1,700,000 to two millions dollars per annum has been appropriated to pay for this work, the stealings from which have been from four hundred thousand to six hundred thousand dollars a year. It is not alleged that this amount of money was stolen outright by the public printer for his own personal benefit; but that it was used largely for the benefit of the Republican party in the printing of campaign documents and binding books for private libraries of members of Congress, has been clearly established. The public printer himself and some of his confidential employés have undoubtedly been profiting in an irregular manner, for instance, by the sale of waste paper and by doing work for private parties and collecting pay for the same and not placing the money to the credit of the Government, as required by law.

The Committee on Printing in the Senate consists of Senators Anthony, who has been on the committtee since his election as Senator in 1849; Senator Sherman, who takes the place of Senator Howe, and Senator Saulsbury. Sherman was a member of the House in 1859 and 1860, when the debate on the establishment of the Government Printing Office took place. He was then conversant with the frauds which were practiced by Wendell in printing post office blanks. This is worthy of note because he is now, as a member of the Senate Committee on Printing, a persistent defender of the Government Printing Office in which the same system of overcharges has been practiced from its establishment in 1859 down to the present time.

The House Committee on Printing is composed of John L. Vance, of Ohio, a practical printer, thoroughly versed in all the details of the trade, and an honest, upright man; Hon. Otho R. Singleton, of Mississippi, who was a member of this committee in a former Congress, an able lawyer and fearless statesman. The Republican member of the committee is L. W. Ballou, of Rhode Island, an intimate friend of Senator Anthony, and, of course, a zealous defender of the establishment which Mr. Anthony has always championed.

THE INVESTIGATION BEGUN.

On the 13th of January, 1876, a resolution was adopted by the House of Representatives, directing the Committee on Printing to investigate the Government Printing Office, to ascertain the cost of printing, and to report whether it is as economically done as it could be by private parties, and also as to the cost of printing the debates of Congress, and whether any changes should be made.

On the 15th of February the inquiry began with the examination of Mr. Clapp, Congressional Printer, who testified that his purchases were made at the lowest market rates; that his books showed the cost of each particular piece of work as near as the same could be arrived at. He especially inveighed against the contract system and claimed that the cost of the public printing had been largely reduced under his administration of the Government Printing Office.

As one of the specimens of frauds practiced by contractors he instanced the following: he said that it was customary to print sixteen forms at the same time making sixteen separate charges for press work. That when he took charge of the Government Printing Office, he adopted a different system and charged so much per token,—that is for each two hundred and fifty impressions. He admitted that the scale of prices adopted in 1852 were continued up to 1874, but claimed that his attention had not been called to it until recently. This was one of the charges against Mr. Clapp, which was investigated by the Senate Committee in 1874, and Senator Anthony, in his report, states that the old scale of prices was not followed at that time. So it will be seen that either Mr. Clapp deceived Senator Anthony in 1874, or else Mr. Anthony, having knowledge of this fact, made a deliberate false statement to the Senate. Mr. Clapp further testified that the forms of nearly all blanks printed were stereotyped; that all work that is to be reprinted is done from stereotype plates; that all of his purchases were made at the lowest market rates; that all work was charged for at its actual cost, and that no work was done for outside parties. He claimed that the debates of Congress were economically printed and that his books showed the exact cost of every item of expense connected with this branch of the work.

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FRAUDS IN OVERCHARGES PROVEN.

In addition to the examination of Mr. Clapp, the Committee examined the foremen of the different departments of the office, and also Theodore L. DeVinne of New York City, who is universally acknowledged to be the best expert on printing and binding in this country, Mr. DeVinne made an examination of samples of binding selected at random, for which the Government Printer charged $1,824.70. Mr. DeVinne testified that he would do the work for $837.02 and that this price would a low him the customary profit of trade. Thus it will be seen Mr. Clapp made an overcharge of 118 per cent. for binding. Samples of printing were also selected, the cost of which at the Government Printing Office was $4,365.50. Mr. DeVinne testified that he would do the same work for $2,689.67 and make a handsome profit on the same. Here again is an overcharge by Clapp of 61 per cent.

John G. Judd, printer, of Washington City, testified, after examining samples of work done at the Government Printing Office, and without knowing the cost at which the same was charged against the government, that he would do the work at prices which ranged forty per cent lower. In one case Mr. Judd's price was three hundred per cent lower than that charged at the Government Printing Office.

Mr B. C. Dorsey, of Baltimore, a practical printer and dealer in printers' supplies of twenty five years' standing, stated that the overcharge on paper used at the Government Printing Office is twenty-one per cent, and that the paper was all of a very inferior quality ; that he would have furnished a better article at his prices and have made a handsome profit.

John R. Edwards, of Baltimore, a practical binder of thirty-two years' experience, and owner of one of the largest establishments in that city, selected samples of binding at random in the House library, and after examination declared that the Government had been charged by Mr. Clapp three hundred per cent. more than he, Mr. Edwards, would have charged any of his customers. Mr. Edwards does all the binding for both the Peabody and John Hopkins libraries of Baltimore.

Mr. D. P. Steele, a practical binder of New York city of thirty years' experience in the business, who has a large binding establishment of his own, selected still other samples of binding done at the Government Printing Office and his prices were thirty-five per cent. lower than those charged the Government.

ASTOUNDING DISCLOSURES.

A. R. Spofford, the able Librarian of Congress, testified to the enormous charges of the Government printer for work done for the Congressional library, and said that he wanted it put on record that he was no party to these frauds, as he was compelled by law to send all the books to be bound to the Government Printing Office, no matter what the charges were. He brought books to the committee room and fully illustrated the various charges. The binding for the Congressional library last year cost over twenty-eight thousand dollars.

George A. Gane, of New York City, the proprietor of two of the largest establishments in this country for the sale of binders' material—one in New York City and the other in Boston—made astounding disclosures in regard to what the Government printer pays and what he would furnish the same material for. He said that he had noticed the frauds practiced in the purchase of binders' material for the Government several years ago and found out that there was no competition to the trade. He had written to Mr. Clapp, sent him samples, and said that he would furnish the articles for prices named. Mr. Clapp paid no attention to this, so a year later Mr. Gane wrote again to Mr. Clapp, calling his attention to his former offer. Mr. Clapp gave him an order for a small quantity, and, acknowledging the receipt of the material, stated that it was entirely satisfactory, but never gave another order.

John Gibson, of Washington, a practical printer, who has a large establishment which he had conducted over thirty years, furnished prices at which he was willing to do the work for the Government and they were one hundred and sixteen per cent. lower than those charged at the Government Printing Office.

Joseph L. Pearson, a practical printer of twenty one years' experience, was one hundred and twenty per cent. lower in his estimates.

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All the persons named and many others, who gave similar testimony under oath, are proprietors of large establishments and are persons of the highest integrity and bear the highest reputation for truth and veracity, and their testimony cannot be questioned.

OVER ONE HUNDRED PER CENT. PROFIT.

In regard to blank books manufactured at the Government Printing Office for the various departments, including all the custom houses, Mr. Lewis A. Lipman, of the firm of Boorum & Pease of New York, the largest blank book manufacturers in New York City, testified that their prices, including profits, were one hundred per cent. lower than those charged at the Government Printing Office.

It should be borne in mind that in all these charges against the Congressional printer for work done he takes no account of superintendence, rent, taxes, insurance, repairs and many other items of cost that amount in the aggregate to a large sum, and which all private establishments have to take into consideration in making up their prices. The foreman in the press room in the Government Printing Office testified that the presses were run up at a very high rate of speed, in some cases double what they would be in a private establishment, and hence frequent breakages and repairs and early destruction of the presses. To practical printers it is only necessary to say that an Adams press is run at the rate of sixteen hundred impressions per hour, and they can form an idea of the enormous wear and tear there must be in the course of a year. It makes no difference to the public printer how long a press may last, for as soon as it is worn out it is thrown away and another purchased.

There is no check whatever upon the person in charge of this vast establishment, and he can purchase whatever material, machinery, presses, type &c., he chooses, and makes whatever arrangement he can with parties furnishing such supplies, and it would be a very easy matter in this way to defraud the Government of large sums of money. The quantity of type in the Government Printing Office would probably supply every printing establishment in New York City. They have such a vast supply that if they have a book to print which they have reason to believe may be ordered reprinted in a year, they keep all the forms standing, no matter if there are a thousand pages. Instances in which forms are kept standing in this way were made known to the committee; and it was proved that the cost of composition was charged against the Government a second time.

WHAT REPUBLICAN WITNESSES TESTIFIED.

With such facts before them the committee made their report to the House recommending certain changes, which recommendations were adopted by the House and legislation authorizing them was inserted in the Sundry Civil Bill. The Senate struck out all these safeguards and checks which were designed by the House to prevent overcharges and other fraud on the part of the public printer. Senator Morton advocated Mr. Clapp in the Senate, notwithstanding the testimony taken by the Printing Committee of the House had been published weeks before, had been discussed for days in the House, and had been commented on by all the principal papers in the country ; and notwithstanding, too, the fact that nearly all the witnesses and experts who gave this testimony acknowledged themselves to be Republicans. Mr. Lipman and Mr. DeVinne, who gave the most damaging testimony, are staunch Republicans; and Mr. Behle, an accountant who examined the books of Mr. Clapp, is also a Republican and has been employed for the National Republican Executive Committee as a stump speaker. The committee, in selecting experts, had but one object, and that was to obtain competent experts and honest men. Those only who were known as standing at the head of the different trades were subpœnaed.

WHAT IS STOLEN.

Some of the frauds practiced were of such glaring character, that the testimony of an expert is not necessary to expose them; for instance, small blank books, which can be purchased at any stationery store at retail for from thirty to forty cents a dozen, the Congressional printer swears cost, at the Government Printing Office, from sixty to seventy-five cents per dozen. The revised statutes, a book of course familiar to every lawyer, the Government printer testified cost three dol-

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lars and a half each. This is one of the cases in which he undercharges. The object of this is to make it appear that work of this kind done at the Government Printing Office is done at far below the prices charged at private establishments; but when the books of the Congressional printer came to be examined by the committee it was found that his volume which he says cost three dollars and a half actually cost nearly seven dollars. In the same way various other cases may be mentioned. For instance, the Army and Navy Register, of one hundred and fifty pages, is kept standing in the forms from one year to another, only slight changes having to be made in the yearly corrections, yet full composition is charged every year, no matter if but a single name has been changed.

From 1863 to 1875, inclusive, the Government Printing Office, exclusive of repairs, taxes, insurance and improvements, has cost **$21,767.496.91,** or an average per year of **$1,674,422.84.** From the data obtained by the House Committee on Printing, it can be safely assumed that if the work done at this establishment had been honestly done or given out by contract to the lowest responsible bidders, it could have been done as promptly, and more faithfully, at a saving of at least forty per cent, or about **$8,600,000.**

THE FRAUDS PRACTICED IN THE PURCHASE OF MATERIALS

are illustrated by George W. Garner, a member of the firm of John Campbell & Co., which house has been furnishing materials to the Congressionol printer for seven years, who gives the following testimony :

Question. How long has your house, or the house that you are now connected with, furnished goods to the Government Printing Office ? Answer. About seven years.

Q. What is the present amount of business done by the house ? A. About $300,000.

Q. About what amount of goods do you annually furnish to the Goverument printer ? A. I would say from $125,000 to $150,000—say about $150,000 ; last year it was considerably less than the year before.

Q. Referring to your books of account, I find a bill to Mr. Clapp under date February 28, 1874 ; is it possible, by an examination of this book, to arrive at the quality of goods furnished in that bill without your personal explanation accompanying it ? From the book itself, if it were put in the hands of a stranger ? A. No, sir.

Q. Consequently, taking all the data you have, it is impossible to arrive at the quality of goods furnished, without you are put upon the stand and questioned in regard to them ? A. Yes, sir.

Q. I find you purchased $879.25 worth of imitation gold leaf, and you sold it to the Government at a profit of $570.25 ? A. Yes, sir.

Q. Do I understand you to say that on an investment of $879.25 you realized a profit of $570.25 ? A. Yes, sir.

Q. Where is Mr. Valleau's establishment ? A. In New York City.

Q. Do your books show that every time you received an order from the Congressional Printer you purchased from Valleau just the amount ordered by the Congressional Printer during the last two years ? A. With one exception, to my knowledge, they do.

Q. Were the purchases made before the reception or after the reception of the order of Mr. Clapp ? A. Occasionally before.

Q. Did Mr. Clapp know that you bought those materials from Valleau ? A. Not to my knowledge.

Q. Does not the gold-leaf show from what house it comes ? A. Yes.

Q. Could he fail to know from what house it came ? A. Of course I do not know ; every package is stamped with Valleau's name.

Q. Is this paper which I hand you a correct exhibit from your bills and vouchers of the profits made on various sales ? A. Yes, sir.

Q. On one sale of $4,452 of law-calf did you realize a profit of $1,264 ? A. Yes, sir.

Q. What profit per dozen have you made on law-calf sold to the Government ? A. Six, and perhaps eight, dollars per dozen.

Q. In the matter of gold-leaf, what amount do you keep on hand outside of what you sell to the Government ? A We keep a small stock. Things we can supply we do not keep on hand, but buy from manufacturers.

Q. Is not this the case in most of the materials you sell to the Congressional Printer, so far as the value of them is concerned ? A. Yes, sir.

Q. In the articles which you sell to the Congressional Printer, what proportion of them do you buy from the manufacturers after you receive orders from the Printer ? A. About two-thirds.

Q. What proportion of the goods you sell to the Congressional Printer have you manufactured heretofore ? A. None.

Q. You say that you have charged the Government higher prices in some cases; please state on what articles ? A. I cannot remember any particular articles.

Q. How, then, can you say, if you do not recollect any particular article, that you have charged higher prices than you have charged private individuals in some instances ? A. By the general prices.

Q. By the general prices on what articles ? A. Cowhide, cloth, sheep. gold-leaf, calf; that is all, I believe.

Q. Do not those articles cover a majority in vaiue of the articles sold to the Government ? A. Yes, sir.

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CLAPP CAUGHT.

Mr. Clapp himself was examined in regard to the purchase of material, and the following extracts from his testimony are given :

Question. In making purchases in open market do you endeavor, by inquiry or otherwise, to arrive at the lowest prices? Answer. I have always done that. I have tried to get at the bottom of the market.

Note this answer, and compare it with others made almost immediately after :

Q. Do you know whether or not you could have made these purchases for a less amount of money if you had gone directly to the manufacturers? A. I cannot answer that.
Q. Have you made any inquiries? A. Only through my foreman.
Q. Have you ever made any effort to ascertain, outside of the information you received from your foreman, as to the manner, and mode, and place of purchase, and the amount? A. No, sir.
Q. Have you ever advertised for proposals for articles which you are required to purchase? A. No.
Q. Have you ever taken steps, by issuing circulars, or giving information that you needed them, that you could make good rates, considering the number you purchased? A. I have not.
Q. Have you ever visited the manufacturers or had any one else do so? A. No.

Mr. Clapp stated above that his purchases of materials were made through J. H. Roberts, foreman of the bindery, and that said foreman sought to buy them at "bottom prices." In denial of this assertion, let Mr. Roberts speak for himself :

Question. Has the Congressional Printer acted under your advice in making purchases of binding materials? Answer. Not at first; but lately he has.
Q. Who made the original purchases from Campbell & Armstrong? A. Mr. Clapp gave the order to purchase from Campbell & Armstrong. I gave the official order on Mr. Clapp as usual, and *he directed where it should go.*
Q. About what amount of binding materials do you purchase per year? A. I cannot answer that.
Q. Does it reach about $175,000 a year? A. In that neighborhood.

A CRIMINAL VIOLATION OF LAW.

Not only were frauds practiced in the purchase of materials but it was proved conclusively that Mr. Clapp violated the criminal law of the land by imposing upon the Secretary of the Treasury a false voucher in the settlement of his accounts. From A. M. Clapp's testimony:

Question. Referring to the stubs of your check-book under the date of March 1, 1872, do you find that a check was drawn in favor of Philp & Solomons for $234? Answer. I do.
Q. Can you explain for what that check was drawn? A. I cannot here say.
Q. Do the data you have show that fifty reams of white cap paper were purchased from Philp & Solomons on February 20, 1872? A. Yes; and receipted for by my foreman of binding.
Q. It shows that you purchased paper from Philp & Solomons? A. Yes, sir.

A. S. Solomons testifies to the fact that not one sheet of such paper was purchased from him by the Congressional Printer, but that a false voucher was made out for the benefit of Mr. Clapp, and used in his settlement with the Treasury.

Question. Did you make an examination in regard to the transaction of March 13, 1872, when the Congressional Printer drew a check in favor of Philp & Solomons for $234? Answer. I did.
Q. Please state the result of that examination. A. We had a large number of blank-books which we desired to sell to the Treasury Department. They needed the books but had no fund out of which they could pay for them, and suggested that we should see some one connected with the Public Printer. I met Mr. Roberts, whom I believed to be the foreman of the bindery, and related to him the circumstances He said he would see about it. Shortly thereafter he made inquiry as to the number of books in our possession, and subsequently saw and made a selection from them, footing up the amount we asked for such books. He then informed me that under the law they could not buy blank-books, but had to buy paper, and he asked me to make out the bill for the gross amount of the books, that was $234. The bill read, "Fifty reams white cap paper, 18 pounds, at 26 cents per pound, $4.68 per ream," making in the aggregate, $234. Subsequently that amount was paid to us by a check from the Government Printer, and the account was closed.
Q. How many books did you sell them? A. Somewhere between one hundred and twenty-five and two hundred demy and crown cloth-covered books, ruled faint only, and paged.
Q. Did you include in this charge, paper, books, binding, and all else connected? A. Yes.
Q. In this bill of $234 did you furnish any white cap paper? A. None whatever.

CLAPP CONTRADICTED BY HIS OWN EMPLOYÉS.

J. H. Roberts, foreman of binding, through whom the blank-books were purchased, fixes the responsibility upon the Congressional Printer, where it properly belongs, although the Printer feigns utter ignorance of the whole transaction.

Question. Did you ever make a purchase of Philp & Solomons of books, and have them make out a bill for the same as paper? Answer. Yes, sir.
Q. Was Mr. Clapp conversant with that transaction in its various stages? A. I cannot say that. I presume I reported to him when I came back.

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Q. Did he know that you were requested to, or proposed to, get this property from Philp & Solomons? A. Yes, sir.
Q. Did he acquiesce in it? A. He told me to buy the books if I thought it to the advantage of the Government.
Q. Did Mr. Solomons make out a bill for fifty reams of white cap paper, amounting to $234, and did you make a requisition on the Congressional Printer for fifty reams of white cap and acknowledge the receipt of the same? A. Yes, sir.
Q. What did you receive from Philp & Solomons? A. I received three different kinds of books.

John Larcombe, the cash-book-maker, and voucher-manufacturer, tells how and why it was done:

Question. Please examine the check which I hand you. * * * Did you fill up the body of that check? Answer. That check was filled up by me and that check was paid by me.
Q. By whose authority and under whose instructions was this check drawn? A. By authority of the Congressional Printer.

DEPOSITING PUBLIC MONEY TO HIS OWN CREDIT.

It was further proved, not only by the admission of the Congressional Printer himself, but by competent outside testimony, that in violation of law he had retained in his hands, and still retains, some sixty thousand dollars of the money of the United States, which it is his duty to cover into the Treasury as fast as it is accumulated. Mr. Clapp, in his examination, testifies as follows:

Question. Have you now a large amount of money in your hands or on deposit belonging to the Government of the United States? Answer. I have.
Q. State what amount. A. I think somewhat in the vicinity of $50,000.
Q. How long have you had this money in your hands, or a portion of it? A. It has been accumulating along.
Q. Does it reach back to the beginning of your administration? A. Not entirely back.
Q. Have you any authority of law for using this money in any other way than to cover it into the Treasury? I only pay the Government employés.
Q. Have you a right so to use it under the law? A. I judge so.
Q. Is there not an annual appropriation made by Congress for the purpose of paying the employés? A. Yes; but the Government Printer can only draw $53,000 at a time, and the pay-roll amounts to over $90,000.
Q. You now hold in your hands $50,000 belonging to the United States Government? A. I think I have.
Q. Please state the amount of money *you now have on deposit* in your safe belonging to the Government accumulating from the sale of documents, waste, &c. A. Somewhere in the vicinity of $50,000.
Q. Will you permit the clerk of this committee, Mr. Wiener, to go to your office and, in your presence, count the money? A. Yes, sir.
Q. Have you no deposit in any bank in the city? A. No, sir.

THE CASH FOUND SHORT.

Charles S. Wiener, the clerk of this committee, having made count of the moneys on hand, says:

I was instructed to proceed to the office of the Congressional Printer, with him, in order to make count of all moneys belonging to the Government, and which were included in what Mr. Clapp calls a surplus fund. When I reached the office Mr. Clapp introduced me to Mr. Larcombe, the financial clerk, and left me with him. Mr. Larcombe expressed his regret, first, that I had called at so late an hour in the day; second, that I had called at a very inopportune moment, since all of the money was not on hand at that time; he proceeded to say that the Congressional Printer, or rather the officer in charge, does not pretend to have all that money in cash. I counted the money in the safe and found that it amounted to $16,257.99. Mr. Larcombe counted the amount as soon as I was through, and our accounts tallied, all but one cent, he making it ninety-eight cents and I ninety-nine.

In the testimony in the case here given, it will *be seen* from the statements of Charles Wiener and J. A. Ruff that Clapp has made two gross misstatements: first, that he had *in his safe* $50,000 when, in fact, there was but $16,257.99, and, secondly, that he had no deposits in any bank in this city, when at that moment he had deposited $12,000 in the Metropolis Savings Bank and $1,800 in the Second National Bank.

J. A. Ruff, cashier of the Metropolis Savings Bank, states:

Question. Do you receive money on deposit and pay interest on deposits? Answer. Yes, sir.
Q. Does Mr. A. M. Clapp do business with your bank? A. Yes, sir.
Q. What amount of money has he on deposit in your bank? A. I think about $12,000. On March 11, A. M. Clapp deposited $12,641.05 and on the same day he made a check for $300. On March 29 he made a check for $46.81.
Q. Is this deposit of Mr. Clapp's a time-deposit or subject to draft? A. Subject to sight-drafts. All our deposits are.
Q. What is your rule in regard to allowing interest on deposits? A. We do it by the calendar

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month. Money paid in to-day commences interest on the 1st of May. We allow interest on the minimum balance for the current month.

Q. What rate of interest do you pay? A. Five per cent. per annum.

CAUGHT AGAIN.

H. C. Swain, cashier of Second National Bank, bears testimony to the falsity of the statement that Clapp had no bank deposits:

Question. Are you cashier of the Second National Bank of Washington? Answer. I am.

Q. Is A. M. Clapp, the Congresssional Printer, a stockholder in your bank and does he do business with your bank? A. He is a stockholder and does business as an individual there.

Q. What amount does he hold? A. Fifteen shares, amounting to $1,500.

Q. Has Mr. Clapp, at any time since your connection with the bank, had a large amount of money deposited? A. He has had a balance in bank since I have been there—a balance of about $8,000.

Q. After examination of the books, what amount, at any one time, or at various times, did Mr. Clapp have on deposit before you became cashier? A. Not exceeding $15,000 or $16,000 at any one time.

Q. Has your bank been in the habit of allowing interest on deposits? A. In certain cases by arrangements, when the money remains some length of time.

Q. Has your bank at any time allowed interest on deposits? A. It has.

Q. Did Mr. Clapp receive interest on the $16,000, which you say he had on deposit, at any time? A. That came from the average of accounts.

Q. What amount of money has been paid to Mr. Clapp for interest on deposits since the organization of the bank? A. Nine hundred and eighty dollars.

Q. What amount has he now on deposit? A. Not exceeding $1,800.

Q. What would be the average of Mr. Clapp's deposit since he has had an account at the bank? A. About $8,200.

THE COMMITTEE'S ACCOUNTANT CORROBORATED.

John Larcombe again appears, and admits that there is in his hands, as financial clerk, *or ought to be*, $56,382.07, exclusive of $4,855.90 accumulated since 19th November, 1875, thus corroborating the statement of C. E. Behle, an expert, who examined the books, and testified in relation to them:

Question. State, from the cash-book before you, the amount of money on hand from all amounts realized from the sale of shavings, documents, &c., to the 10th of March, 1876? Answer. The book before me does not show that fact. It is on a detached sheet. If I have made no error, the amount is $56,382.07.

Q. Does this amount include all receipts to March 10, 1876? A. Yes, sir.

Q. Where are the receipts from the sale of documents, &c., from November 19, 1875, to March 10, 1876, accounted for, as shown by the cash-book to amount to $3,644.26, inclusive of balance of $1,211.64 from September 30, 1875? A. I do not know where they are.

Q. Why was the amount of $3,644.26 omitted in the statement on the loose sheets? A. For the simple reason that I had never seen or heard of it.

Q. Why were those moneys not deposited monthly, as the law directs? A. I never heard of such a law.

Q. Why was this money not deposited monthly as it was received? A. Because, in the absence of any law to the contrary, the exigencies of the office required it.

WHAT THE ACCOUNTANT FOUND.

Mr. C. E. Behle, a very skilled accountant, who spent days in trying to sift and digest the accounts of the public printing office kept by Mr. Clapp, gave testimony as follows:

Question. Do the amounts stated in the reports as realized (from sales of waste, &c.,) agree with the book-entries? Answer. They do not.

Q. Should, or should not, the books sustain the reports? A. By all means, the books should corroborate the statements of the reports.

Q. From your examination, state the amounts deposited from October 1, 1875, to March 10, 1876? A. There are two deposits on October 12 of $9,137.38; and on November 12, $10,889.93.

Q. What balance, then, would this show to be on hand on the 10th of March? A. The amount realized from October 1, 1875, to February 18, 1876, as shown by loose sheets accompanying summary cash-book, was $12,580.50; with the balance on hand not deposited on September 30, $63,828.88, and the balance as shown by cash-book from H. H. Clapp, from October 4, 1875, to March 10, 1876, $3,850.66, or total receipts amounting to $80,260.04, would show, after the deduction of the two deposits, a balance on hand March 10, 1876, amounting to $60,232.73.

DEPOSIT OF GOVERNMENT FUNDS IN BANK WITHOUT AUTHORITY OF LAW.

H. H. Clapp, chief clerk, testifies:

Question. Do you deposit Government funds in the bank? Answer. Yes, sir; Government checks, no currency.

Q. Do you draw the checks out of the bank, or the money? A. I draw currency.

Q. When you made a deposit were you credited with so much money? A. Yes, sir.

Q. Do you recollect how long you kept this money in the bank? A. I opened an account some time last fall, I think, in the name of H. H. Clapp, agent.

Q. And placed to the credit of H. H. Clapp, agent, funds belonging to the Government? A. Yes, sir.

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Q. Does this bank allow interest on deposits? A. Yes, sir; but I will say that Mr. Larcombe had formerly gotten our checks cashed at Riggs's, and he went there and he was told that it was too much trouble; that they could not cash them for any price he would be willing to pay. I went to Mr. Ruff and asked him if the use of this money would repay him if I left it in the bank from time to time for the trouble of collecting it. He said it would, and I commenced depositing my checks, with an understanding that no interest at all would be paid.

Q. If you should demand interest, under the rules of the bank, would it not be compelled to pay you interest on the balance? A. I don't know that.

Q. Are you not aware that the rules of the bank are that you can demand and draw interest on the balances you have there from time to time? A. I am not.

Q. Is Mr. Ruff, the cashier of that bank, related to you or connected with you? A. No, sir; no further than that his son is married to my daughter.

Q. When did you draw the money out of Mr. Ruff's bank? I refer to the money of the Government. A. I don't know that I can state the date.

Q. Was it not the morning after an examination had been made by the clerk of this committee of the cash in Mr. Larcombe's safe in the Congressional Printing Office? A. Yes, sir.

Q. What disposition did you make of the money after drawing it? A. I turned the portion belonging to me into my safe, and turned over the portion belonging to Mr. Collins to him.

Q. Do I understand you to say that you had, in addition to the money which you had received, a portion of the money received by Mr. Collins from the sales of the Record? A. Yes.

Q. By what authority did you have possession of the funds? A. It was nothing but checks. He could not get rid of them, and I said he had better let me deposit them in that way, and we could keep our cash-account without checks. If he had a check and I had a check, I made a deposit on a slip for him, and I deposited on a slip for myself, and when I came back I marked his with an "R" in red ink, so that it would not get mixed.

Q. It appears that Mr. Ruff first testified before this committee on the 27th of April, 1876, and than on that morning you drew from his bank the sum of $2,912.35. A. I presume that is correct. I do not recollect the amount.

THE LAW THAT WAS VIOLATED.

Thus it is made clear that Mr. Clapp, the Congressional Printer, violated section 3617 of the Revised Statutes, which is as follows:

The gross amount of all moneys received from whatever source for the use of the United States, except as otherwise provided in the next section, shall be paid by the officer or agent receiving the same into the Treasury at as early a day as practicable, without any abatement or deduction on account of salary, fees, costs, charges, expenses, or claims of any description whatever.

Under and by virtue of this section, without limiting the time within which the money is to be paid over, it shall be done as soon as practicable. Under the provisions of a subsequent section (3622,) however, the time is definitely prescribed within which these deposits shall be made. Said section reads as follows:

Every officer or agent in the United States who receives public money which he is not authorized to retain as salary pay, or emolument, shall render his accounts monthly.

* * * * * * * * * *

It may be contended that the Congressional Printer is neither an agent nor officer of the United States, but this view of the question is not sustained by a fair interpretation of other sections of the Statute, which treat him as a disbursing officer of the Government. Section 3817 reads as follows;

The Congressional Printer shall settle the accounts of his receipts and disbursements in the manner required of other disbursing officers.

In addition, the official bond executed by him is made payable to the United States, and he is charged with the disbursement of funds of the Government not appertaining to the Senate alone, but as well to the House and to the different Departments for which printing is done in his office; though he may be *pro forma* an officer of the Senate, and doubtless is, yet these sections of the Statutes declare him to be a disbursing officer of the Government, and require him to settle his accounts *as other disbursing officers* do. Upon failure to do so section 5491 declares the act

TO BE EMBEZZLEMENT,

and prescribes the punishment. It reads as follows:

Every officer or agent of the United States, who having received public money which he is not authorized to retain as salary, pay or emolument, fails to render his account for the same, as provided by law, shall be deemed guilty of embezzlement, and shall be imprisoned not less than six months nor more than ten years.

It is in evidence that the Congressional Printer has retained large sums of money in his hands not for one month only but for years, while he lived in the very shadow of the Treasury, and could have paid it over at any time. But this is not the only case in which he has laid himself liable to a charge of embezzlement.

Section 5488 (Revised Statutes) reads as follows:

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Every disbursing officer of the United States who deposits any public money intrusted to him or converts to his own use in any way whatever, or loans with or without interest, or for any purpose not provided by law, withdraws from the Treasurer or any Assistant Treasurer or any authorized depositary, or for any purpose not prescribed by law, transfers or applies any portion of the public money intrusted to him, is in every such act deemed guilty of embezzlement of the money so deposited, converted, loaned, withdrawn, transferred, or applied, and shall be punished by imprisonment with hard labor for a term not less than one year nor more than ten years, or by fine of not more than the amount embezzled or less than $1,000; or by both such fine and imprisonment.

It was proved by the cashier of the bank in which Mr. Clapp kept his private deposits, and is corroborated by the evidence of H. H. Clapp and U. H. Collins that Government funds were deposited by the Congressional printer through his chief clerk in direct and open violation of the provisions of the law just cited. But, by the further provision of this section, it will be seen that if he apply the funds in his hands to any purpose not prescribed by law, then he is guilty of the crime of embezzlement and liable to like punishment. By the admissions of A. M. Clapp himself, as appears in his evidence before the committee, he has applied the money received by him, not by authority of law, but contrary to its express provisions, to purposes other than those contemplated by the statute.

It is clear, by these several acts of placing money in a bank not a Government depository and by applying other sums to purposes not authorized by law, that he has been guilty of the crime of embezzlement.

Again, take the case of the use of a false voucher in his settlement with the Treasury Department. Section 5438 of the Revised Statutes is as follows:

Every person who makes or causes to be made, or presents or causes to be presented, for payment or approval to or by any person or officer in the civil, military, or naval service of the United States, any claim upon or against the Governmet of the United States, or any Department or officer thereof, knowing such claims to be false, fictitious, or fraudulent, or who, for the purpose of obtaining or aiding to obtain the payment or approval of such claim, makes, uses, or causes to be made or used, any false *bill*, *receipt*, *voucher*, roll, *account*, *claim*, certificate, affidavit, or deposition, knowing *the same to contain any fraudulent or fictitious statement or entry*, * * * shall be imprisioned at hard labor for not less than one nor more than five years, or fined not less than one thousand nor more than five thousand dollars.

It will be seen from the evidence that a false bill was made out, a receipt thereon obtained from A. S. Solomons, and a check for the amount given to said Solomons, which was paid and subsequently used as a voucher in his settlement with the United States Treasury.

Although this act does not constitute embezzlement, yet it is a crime under the Statutes for which he may be indicted and punished.

ONE MORE INSTANCE OF OVERCHARGES.

The various departments of the Government use millions of blank vouchers during the year. There has been no change in the form of these blanks for the last ten years. The forms on which they are printed are stereotyped, yet no matter how frequently they are ordered full composition (setting type) is charged on each order, though not a single letter had been changed. The work for the departments amount to about nine hundred thousand dollars a year. Many of these blanks are small, and frequently thirty-two of them can be printed at one impression, yet the Congressional printer charges an impression for each blank. This system of overcharges on press work is admirably illustrated by the chairman of the Printing Committee of the House, Mr. Vance, who, when the legislation proposed by his committee was under discussion in the House, spoke as follows:

THE OVERCHARGES ILLUSTRATED.

I next come to the qnestion of overcharges. The overcharges referred to in the contract system have prevailed here; the same system of "doubling up," of charging for work that has not been done.

This paper that I hold in my hand is what is termed a form of sixteen pages. These sixteen pages are made up in type, locked up in what is termed a chase, and put upon a press. The paper is put in and run through the press and comes out with sixteen pages printed on it.

Now, the complaint that was made heretofore in discussing the wrongs practiced under the contract system was, that the contractor would print these sixteen pages—would tear them apart and

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charge sixteen times for the work. But what we do find in reference to the work of the Congressional Printing Office? We find this identical system carried out there, and it has been carried out there through all the books that I have examined.

But now I am speaking upon the present charges. Look at this. Here is a form of sixteen pages. If these forms were made up of single-sheet reports there would be sixteen printed at once. Here are sixteen cut apart. Now the Congressional Printer prints off these forms of sixteen pages each. He tears them into sixteen pieces. He makes sixteen separate and distinct jobs of nineteen hundred copies each. And what does he charge? Not one press-work, but sixteen press-works. What is the result? He makes an overcharge of about $85 for press-work alone upon each and every form of that sort that he puts through his press. An examination of the books of the Congressional Printer shows that full press-work is charged upon each and every job of work, whether put through the press singly or combined with other jobs.

Then there are overcharges made in composition. We find by further examination of the Congressional Printing Office that a great many jobs are stereotyped there—hundreds of them—and that all that is necessary to do when an order comes from a Department is to print it. We find that in almost every such case full composition is charged to take one of these out, lock it up in a chase and put it on a press, and charged every time the job is ordered. The books show that these charges have been made; that it is a rule to so charge.

During the session of Congress, these one and two page documents Mr. Vance speaks of, will vary from sixteen to one hundred and fifty a day, yet there is no single instance whereon his books Mr Clapp has not overcharged for them.

THE OBJECT OF UNDERCHARGES.

It was found by the investigation that two classes of work were systematically undercharged by Mr. Clapp; one of these was the Congressional Record and another was the work of the Supreme Court. The Congressional Record, it will be remembered, was taken from the private establishment of the Rives Brothers, and the Supreme Court work was also taken from other private parties in the city of Washington. For forty years the *Congressional Globe* had been printed by the Riveses, and always to the satisfaction of Congress.

An examination of the books of the Congressional Printer showed that the cost of the Congressional Record had been underestimated—in other words, was reported to have cost forty thousand dollars less per Congress, than the white paper, type setting, press work and other labor, incident to the performance of the work actually cost. The object of this undercharge was to make Congress believe that all the work done at the Government establishment was done in the same reasonable manner. He was enabled to do this by using the surplus of money accumulated from overcharges on other work to defray the cost of printing the record which was not reported.

THE PRESIDENT VINDICATES CLAPP AND THE SENATE CONCURS.

Yet notwithstanding all the facts which proved beyond a doubt that a system of corruption existed in the management of the Government Printing Office, and that frauds and overcharges against the Government were regularly practised, the President renominated Mr. Clapp who had just been legislated out of office by the House insisting that the public printer should no longer be nominally an officer of the Senate. The new office was created and the incumbent is hereafter to be known as the Public Printer. To this Mr. Clapp was appointed by the President; the nomination was referred to the Senate Committee on Printing, and Senators Anthony and Sherman reported it back with a recommendation that Mr. Clapp be confirmed. The Democratic Senators protested in Executive Session against it, yet Mr. Clapp was by a unanimous vote of the Republican Senators confirmed.

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NEW YORK CUSTOM HOUSE FRAUDS.

THE KITCHEN CABINET'S PERQUISITE.

The insincerity of the professions made by the Republican party leaders about reforming the civil service is demonstrated by their course in defending the frauds practiced in the New York Custom House. The history of these Custom House frauds is peculiarly interesting at this time, because, although the President of the United States was primarily responsible for the adoption of the system which made them possible, nevertheless the Republican majority in Congress after they had been exposed defended the action of the President, and protected the men who were responsible for the exactions practiced upon the merchants of New York.

In 1870 and 1871 the Joint Committee of Congress on investigation and retrenchment investigated the New York Custom House. This Committee submitted a report to the Senate in the Sprng of 1871 [*See record* 380, *Forty-first Congress, third session*), in which it was shown that after the appointment of Mr. Grinnell Collector of the Port of New York the warehouse system which had been in vogue since 1857 was changed in order to give certain parties a monopoly of this very lucrative business. Prior to this change the various steamship companies had their own warehouses on or near to their piers in Jersey City and Hoboken. In 1861 Secretary Chase issued an order which required all merchandise imported. to be sent to "general order" warehouses, if the merchants did not obtain their permits for landing the same within forty-eight hours after the arrival of the vessel at her dock. The warehouses of the steamship companies were bonded and designated for the reception of unclaimed goods discharged under "general order." In addition to the warehouses of the steamship companies on the Jersey side, there were a number of general order warehouses on the New York side. This system gave universal satisfaction to the merchants of New York. The steamship companies stored the goods and made very moderate charges therefor. The fact that there were a number of warehouses on the New York side prevented exorbitant charges for storage by the steamship companies, because there was always an active competition for this business.

In February, 1870, Mr. Grinnell, as Collector of the Port of New York, withdrew the general order privilege from the warehouses on the Jersey side, and designated certain stores on the North River front of the City of New York as general order stores. This action destroyed competition, and gave the parties favored with the exclusive right to store goods on the New York side a monopoly of the entire general order business. When the Joint Committee of Retrenchment was investigating the New York Custom House in February, 1871, a number of the leading merchants of New York City testified in regard to the effect of Collector Grinnell's order upon the importing business of that city.

Among others, Wm. E. Dodge, of Phelps, Dodge & Co., one of the great commercial houses of the world, testified [*page* 45] that he has been connected with the importing business in New York City for over forty years, and that he was familiar with the working of the old general order system and the new. In

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speaking of the new system, he said: "If the vessel arrives at the dock late in the day, it is impossible for a merchant to secure a permit for his goods until eleven o'clock the next day. The goods, as soon as landed, are immediately carted (to favorite stores, I was going to say, but won't) to stores under the general order system on the New York side, and subjected to expense, as a general thing, double what they would be if there was a warehouse on the other side, where the goods might lie for twenty-four or forty-eight hours in the charge of the Revenue Department before they were sent away, thus giving merchants time to get their permits. No matter whether they are 'permitted' or not, they are sent over here. This process makes the port of New York, in my opinion, the most expensive port for the transaction of business in the world. * * * [redacted]

"Q. I want to know if, under the present system, it is more expensive to the importers than under the old. A. I should think it was fifty per cent. more, besides the everlasting trouble. You go there and find a part of your goods there, a part yonder, and you have to go off, and there you are running about.

"Q. Is what you say true of all importers; are all importers subjected to greater expense under this system than under the old, or does it apply simply to the large importers receiving goods at the Jersey side and Hoboken ferries? A. Under the old system, if a man had six cases and was prompt to get out his permit he would have no expense except cartage and ferriage, not to exceed thirty cents a case. Now it would cost him at least one dollar and fifty cents for each one of the cases."

Thomas C. Paton, an importer who had been doing business in New York for sixteen years, testified [*page* 115] that where he paid under the old general order system seventy cents for cartage and storage, he paid under the new system on similar packages one dollar and seventy-five cents for storage alone, without the cartage from Jersey City.

Francis W. Bixby, who had been in the general order warehouse business himself during eleven years, which included the high price period of 1863, and 1864, and 1865, testified (page 21) that the charges for storage under the new system were more extortionate than he had ever known them.

Emil Magnus, a Custom House broker, who had done business for fifteen years, testified (page 117) that where seventy cents under the old system was charged for the storage of a case of goods two dollars was charged under the new general order system for the same kind of a case.

A. T. STEWART CONSIDERS THE OLD SYSTEM PREFERABLE.

Mr. ALEXANDER T. STEWART testified about the general order business as follows:

"When the Cunard stores and the Hoboken stores had the general order business, if a steamer arrived at times when entry could not be made at the Custom House, the agents gave the importers forty-eight hours in which to make their entries. There was no charge for that time. At present when vessels arrive at these stores or docks, I have to discharge immediately on arrival; no time is given to make entries. The goods are taken immediately and carted to a general order store in the city of New York. A charge is made for this cartage and in that store for storage for a month, although the goods may not remain there one day. This amounts to one dollar and fifty cents a package, which is so much taken from the pockets of the importers unnecessarily. Again, when goods so situated are in part to be entered for consumption, and in part for bonding, the prices paid for the bonded goods (that is one dollar and seventy-five cents per case, which is the charge of the parties now having the general order business) is so much money lost to the importer.

"Q. Have they in any instance charged more than one dollar and seventy-five cents per case or bale? A. Yes, sir, two dollars.

"Q. Is there greater security in the warehouses now used than in the warehouses on the Jersey side and Hoboken docks? A. No. On the contrary, the Cunard and Hoboken stores were considered more secure beyond all comparison. They were more safe, and we had greater facilities in getting our goods. During the past ten years, in warehouses in the city of New York, I have lost by theft about forty thousand dollars without recognized liability on the part of any one, whereas at the Cunard and Hoboken warehouses, I have never lost one dollar. There is another trouble with the present general order stores; they being so crammed with goods it is difficult to find as speedily as desired the cases ordered for examination in the public stores.

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"Q. What effect does the present system of general order business have upon the action of the merchant, if any? A. Formerly when the bonded warehouses doing general order business were in charge of the authorized agents of responsible steamship companies, and were situated in localities known to be safe, the merchant was in no haste to get his goods from the custody of the Government, and the result was that a few years ago to accommodate the importers eight or ten stores were required to do the general order business. Now that business is limited to two stores, and the reduction arises, in my opinion, from the fact that the importer is not willing to trust his goods to the custody of the Government officers one moment more than he can help, because these warehouses are such as to excite the suspicion of danger, besides it being very difficult to procure insurance on the goods stored in them. The merchant prefers to withdraw his goods at the earliest moment, so that these two stores do the whole work, where formerly eight or ten were required.

"Q. Does the Government, in your judgment, derive any advantages under the present system which it did not under the old? A. None whatever. The present system can only be used to annoy and vex and deplete the pockets of the importer."

These exactions upon the merchants of New York by the men who monopolized the general order business were so oppressive that one hundred of the leading firms of New York City petitioned the Collector of the Port of New York, October 20, 1870, for the abolition of the new system and the re-establishment of the old. Failing to obtain the relief they desired, the merchants then adressed their complaints to the Secretary of the Treasury, Mr. Boutwell, who promised that the evil should be abolished, and wrote a letter to the Collector directing a modification of the system whereby the warehouses of the steamship companies would be re-established. This did not produce any effect, and the same oppressive system continued.

In the report of the Joint Committee on Retrenchment, made to the Senate in the Spring of 1871, the following comments were made upon the general order business.

In comparing the old with the new system, the report says: "To facilitate their business the steamship lines landing at Hoboken and Jersey City built warehouses upon their wharves, which were placed under the supervision and control of the United States Custom House officers. Immediately on the arrival of a steamship its cargo was discharged into these warehouses, without going from under cover, and stored for forty-eight hours without expense to the consignees. By this arrangement the interests of the Government were as fully protected as if the goods had remained on board the vessel, and the steamship companies saved two day's time without any inconvenience to the merchants. This practice existed for many years, to the satisfaction of all parties, so far as the committee have been able to learn, but on the first day of February, 1870, the Collector of the Port ordered that all goods discharged under general order should be sent to general order stores in New York, under the control of private parties, where they are charged a month's storage, although removed by the owners instantly on their arrival. This entails a heavy expense for the cartage and storage, according to the testimony about $1.75 on every package, large or small, and the goods are subjected to the danger of theft and damage during transit from the vessel to the storehouse. These charges are paid by the steamship companies, if the goods are removed from the general order store within forty-eight hours, but at the expense of the importers through increased rates of freight. All the general order business being done at two storehouses, they are very much crowded, which necessarily produces confusion and delay, to the great inconvenience of the merchants. The Committee have been able to discover no advantage resulting from the change to any one except parties controlling the general order business.

"The reasons given by the Collector for taking the general order business away from the Jersey City and Hoboken stores, were that they were unsafe, and that losses resulted therefrom, both to the merchant and to the Government; that they were also used for bonded goods, and that the steamship companies, or their agents, were themselves importers, having their own goods in these stores. All these charges have been investigated by agents of the Treasury Department and by the Government, and both the Committee and the Treasury agents were satisfied that they could not be supported by evidence. They could learn of but two instances of losses from these storehouses, both occurring some two years ago,

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and no evidence was presented showing that there had been any smuggling from them. One merchant testified that during the past ten years he had lost by theft from warehouses in the city of New York about forty thousand dollars, without any recognized liability on the part of any one. Whereas, at the Cunard and Hoboken warehouses, he has never lost one dollar." Other merchants testified to a similar experience. They also complained of damage to their goods by being handled by inexperienced cartmen, and of the heavy rates of insurance they are compelled to pay on account of the exposed condition of the present general order stores."

THE REPUBLICAN MANAGERS REFUSE TO PUT AN END TO THE SWINDLE.

Notwithstanding these exposures—in the face of these facts—the oppressive monopoly of the new general order system was continued for a period of some eighteen months. The merchants of New York had applied to the Collector of the Port, to the Secretary of the Treasury, and had appeared before the Committee on Retrenchment and presented in every instance the most conclusive proof that they were being robbed for the benefit of private parties who had obtained through political influence this monstrous monopoly.

At the commencement of the forty-second Congress in December, 1871, the merchants of New York demanded a thorough investigation of this fraud. Senator Turnbull of Illinois, wanted the Committee of Investigation and Retrenchment in the Senate to inquire into this as well as other matters about which complaints have been made. He wanted this Committee to have general power to send for persons and papers and inquire into abuses of every kind. On the other hand, Senators Anthony, Sherman, Conkling, Cameron, Chandler and Howe, wanted this Committee to be restricted to such duties as the Senate might specifically order. They did not want another investigaton of the New York Custom House, because they knew that if it was thoroughly overhauled, some very gross abuses would be uncovered and some very damaging facts made public. They insisted that such extraordinary powers as Mr. Trumbull demanded for the Committee on Retrenchment could not be granted to any one Committee of the Senate. Senator Sherman of Ohio in speaking against Mr. Trumbull's proposition said: "Why should a standing committee of this body now be organized, armed with power to go all over the United States without limit, without any restriction upon their authority to examine into persons and papers, to go and examine the private desks of individuals, to go and explore the secret recesses of every man's household? Sir I am amazed that such powers should be sought to be conferred in violation of the ordinary usages of the Senate, unless in a special case, for special reasons."

MR. CHANDLER said:

"Mr. President, if God had endowed all men with universal knowledge, perhaps this universal committee might be of advantage, but he has not so created man. We learn by study, by experience and by investigation. Now, sir, we have in this body a committee upon every conceivable important subject. There is my honorable friend from Ohio, Chairman of the Committee on Finance. It is his business and the business of his committee to investigate everything connected with the finances of the country. I am disposed to send this matter to the Committee on Finance, and if there is any defalcation or trouble in the War Department, I propose to send it to my honorable friend from Massachusetts and his committee, in which I have the most undoubted confidence, and if there is any defalcation or fraud connected with the commercial relations of this country, I expect to devote my best time and pains to the investigation and exposure of such frauds and peculations.

"If anything occurs in the judiciary, I expect my honorable friend from Illinois to give his best efforts to probe, correct, and expose. But, sir, what does the honorable Senator from Illinois propose? He proposes a retrenchment committee—in other words a committee with universal knowledge. They are to know all about the judiciary system; all about the financial system, all about the commercial system, all about our foreign relations; they are to be men of universal genius and universal knowledge. Well, sir, God has not made such men; they do not exist; at least, if they do, they have never come under my observation. They are not usually sent to the Senate of the United States. I am in favor of referring all matters connected with any department, or with this Government, to the committee appointed to investigate and thoroughly investigate everything connected with that particular department; and if other committees are kept as busy as the

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Committee on Commerce they will have as much as they can do, and this committee of universal geniuses will not be appointed."

Mr. Chandler was then chairman of the Committee on Commerce.

In reply to his boast about the way in which his committee was employed, Mr. TRUMBULL said :

"Where was the Senator from Michigan, when goods were being smuggled into California by the Isthmus route, and when this Committee on Retrenchment discovered the frauds and saved to this Government hundreds of thousands of dollars ? We had a Committee on Commerce then, but the Committee on Commerce did not consider itself charged with that particular matter. * * * "On page thirteen of this document [*Report of the Committee on Retrenchment made in February previous*] it will be found that when complaints were made,—I hope the Senator from Michigan will hear this—by the merchants in New York, to the Secretary of the Treasury, of the way they were being plundered, "the Secretary wrote to Mr. Murphy rather sharply I should think from the way Mr. Murphy seemed to take it, the consequence of which was that Mr. Murphy told us that he had been crowded too much and he should do nothing in the matter. He said there were certain people who had to be taken care of, and it was well known that they had to be taken care of, and nobody in the party would say anything about his taking care of them, and he would do it,"—"that is to say after information was sent to the Secretary of the Treasury showing how importers in New York were plundered by the officials there, the Secretary wrote sharply to Mr. Murphy, and he replied that certain men had to be taken care of, and the party would not complain, and he would take care of them."

Mr. EDMONDS. In reply to the Secretary do you mean ?

Mr. TRUMBULL. He replied to this party complaining. The witness who states this is Mr. Francklyn.

Senator SCHURZ, in speaking of the impositions on the New York Merchants which had been made plain by the investigation of 1870 and 1871, said:

"Now, sir, reading over this whole testimony from Mr. Stewart to Mr. Dodge, and from Mr. Chittenden to Mr. Moore and Mr. Gale, from witness to witness, you will find this system designated as a system of demoralization, and wanton robbery, imposed on the merchants of New York; a system so outrageous that its very beneficiaries excuse it only with the flimsiest pretexts. It reminded me, when I read this testimony, of what I had read of the stories of the robber knights of the Rhine, who lived in the castles whose ruins you see on the hill-tops along that romantic river. Robber knights who stretched a chain across that river, and made the shipper who went up or down pay toll to him, for the mere privilege of passing his haunt. And so you will find that now, gentlemen in the possession of the so-called general order business on the North River, enjoy the privilege of exacting tolls from the merchants of New York, not for the benefit of the service, not for the security of the customs, not for the accommodation of trade, but simply to fill his pockets.

"Now sir, look at the state of the case. Here is a monstrous abuse which originated under this Administration. This abuse is remonstrated and protested against by the merchants of New York, who have been examined on the subject. There are among them the most prominent business men of that city. There are among them some of the most honorable men of the country. Not only a commission was sent there by the Secretary of the Treasury, and that commission protested against it in the same manner, but the Secretary of the Treasury expressed his opinion against it, and yet that monstrous system of robbery survives even to the present day.

"I ask, sir, what power is there in this Government that maintains so shameless a practice? It is not the Secretary of the Treasury, for if we are permitted to believe that he is an honest man, and I do not know a Senator on this floor who does not believe so ; after having sent that commission there, after having received its report, after having expressed his opinion against that abuse, he certainly would not hesitate a moment to abolish it. What power, then, is it that maintains this monstrous wrong, in spite of all that has been said and done against it, even to this day? It was intimated by some of the witnesses that Mr. Leet, who pockets the enormous profits arising from that business, had some connection with the White House ; but General Porter was examined, Mr. Leet himself was examined, and they both testified that it was not so ; and, counting the number of witnesses, we have no right to form a different conclusion. But the

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fact remains that this scandalous system of robbery is sustained—is sustained against the voice of the merchants of New York ; is sustained against the judgment and voice of the Secretary of the Treasury himself. I ask you, how is it sustained? Where and what is the mysterious power that sustains it ? The conclusion is inevitable, that it is a power stronger than decent respect for public opinion ; nay, stronger than the Secretary of the Treasury himself."

After a prolonged debate the proposition of Mr. Trumbull to give to the Committee on Retrenchments general authority to investigate was voted down, but the Senate subsequently directed that this committee should investigate the New York Custom House. The resolution directing this recited the charges made by Senator Schurz in regard to the general order business, and instructed the committee to inquire "into the matter fully, and at large, and particularly whether any collusion or improper connection with said business exists on the part of any officer of the United States, and that said committee inquire whether any person holding office in the Custom House at New York has been detected in or known or believed by his superior officer to be guilty of bribery or of taking bribes, or of other crimes or misdemeanor."

This investigation developed the following undisputed facts :

FIRST.—That the system of warehousing goods on the wharves of the Steamship Company, which had been in vogue for many years, gave entire satisfaction to the merchants of New York, and afforded the Government ample protection against smuggling and other frauds on the customs.

SECOND.—That the new general order system adopted by Collector Grinnell, in February, 1870, *did not* give general satisfaction to the merchants of New York ; that it *did not* afford ample protection to the Government against losses by smuggling and other devices to avoid the payment of duties ; that it was a practical monopoly, granted to a trio of favored persons, who could and did impose whatever charges they thought proper upon merchants for carting and storing their goods ; that unless the merchants were on hand the very day the steamer arrived, with their permits to take possession of their goods, they were carted to the warehouses on the north side of the river, and no matter if the merchants took them out the next morning they had to pay cartage from the steamship docks on the Jersey side to the north side of the river, and also a month's storage.

THIRD.—It was also established that this monopoly was given to the firm of Leet & Stocking, and that the influences which secured it for them were the recommendations of the President of the United States and his then Secretary of State, E. B. Washburne. Leet was a young fellow, and had served with the President during his Western campaigns, and was brought to Washington and placed on special duty in the War Department, under General Rawlings. He was an intimate friend of General Babcock and General Porter, the President's private secretaries. A few days after the inauguration of President Grant he gave Leet the following letter to Collector Grinnell :

EXECUTIVE MANSION,
WASHINGTON, D. C., March 19, 1869.

DEAR SIR : This will introduce to you Col. G. K. Leet, who served under me from early in the war to the present day, from the fall of Vicksburg forward, as a staff officer. He is a business man of unquestioned integrity. His experience before the war fits him for business of almost any kind. He now proposes to resign from the army to engage in private life, and I cheerfully commend him as possessing all the qualities necessary to inspire confidence.

M. H. GRINNELL. Yours truly,

U. S. GRANT.

The other member of this firm, Mr. W. S. Stocking, had formerly been a tinner, and conducted a small shop in Washington. Neither of these men had any acquaintance with New York merchants or were known to the Republican politicians of that State. Their connection with Porter and Babcock and the letter of introduction from the President, which Leet bore to Collector Grinnell, secured them the monopoly of the general order business.

FOURTH.—It was conclusively demonstrated that "the withdrawal by Collector Grinnell of the general order privilege from the steamship warehouses on the Jersey side was productive of great disadvantage, inconvenience and loss, not only to the owners of those steamship lines and stores, but to the mercantile community who were their customers. Commerce with Europe is now necessarily conducted almost entirely by steamships, and quick dspatch is essential

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for the profitable management of such vessels. Delays in discharging or receiving cargo are so much more expensive than in the case of sailing vessels that the time allowed the latter cannot be given in the case of the former. Thus it was that the steamship companies, while having general order warehouses adjacent to their docks were able to obtain a general order of discharge simultaneous with the arrival of their vessels at the dock. The merchandise was discharged *en masse* and sent at once into the general-order warehouse of the company. When the importer presented his permit within the forty-eight hours allowed by law or Treasury regulations, he received his goods without any general-order charges, as the steamship company could better afford to store the goods free for that period than lose the time by keeping them on the ship. Even where goods remained unclaimed for a time longer than forty-eight hours, the charges were comparatively moderate and made upon a scale satisfactory to the importer."

FIFTH.—Under the Leet and Stocking monopoly of the general order business, if the merchant was not at the dock within a few hours after the ship arrived, the freight consigned to him was taken possession of by the monopoly and carted to their general order warehouses on the New York side. Frequently charges imposed by Leet & Stocking for cartage and storage amounted to more than the charge of the steamship company for carrying the freight from Liverpool to New York. The following bills were furnished to the Committee by Mr. Horace B. Clark.

FREIGHT BILLS.

NEW YORK, Jan. 16, 1872.

Messrs. CLARK & SCHURZ, to
Steamship *Atlantic*, (7) voyage
for Freight and Primage from
Liverpool as per laden, £2 15 7
Exchange at 119.5 per cent. $14,78
20 barrels of Mineral Water.

STORAGE AND CARTAGE BILL.

NEW YORK, Jan. 17, 1872.

To GEO. K. LEET & CO., United
States Bonded Warehouse, 371
Washington, 386 and 388
Greenwich streets.
Storage, labor, and cartage twenty barrels. $16.75

E. Atlantic.

Thus the Cunard Steamship Company carried twenty barrels across the Atlantic for $14.78, while Leet & Co., for their charges in "General Order" on the same twenty barrels, exacted $16.75.

SIXTH.—The profits realized by Leet & Stocking from this general order business were estimated by various witnesses having knowledge of the business to be from $60,000 to $200,000 per year. Mr. John P. Lindsay, a gentleman of character, described the monopoly as being "the best prize in politics, the best in the City of New York." Mr. S. A. Clark, then deputy collector, testified that it was the most profitable appointment, or perquisite, in the gift of the Government. He knew nothing equal to it except certain Indian Agencies of which he had heard, but of which he had no knowledge. The minority of the Committee was unable to obtain an accurate statement from the books of Leet and Stocking, showing their receipts and expenses. It was a remarkable fact that during a period of twenty months this firm had never balanced their books, and the minority were not allowed by the majority of the Committee to examine the book-keepers in order to ascertain what the profits had been. Mr. Thomas L. James, deputy Collector of the Customs, a witness friendly to Leet & Stocking, testified that the profits of the general order business in 1871 would be from $50,000 to $60,000. Mr. Francklyn, agent of the Cunard Line of steamers, testified that the profits would be $100,000 a year, at any rate; perhaps a great deal more. Peter M. Moore, the managing clerk of the import business of Phelps, Dodge & Co., for twenty-six years, testified that the profits of Leet & Stocking could not be less than $290,000 a year in gold.

SEVENTH.—The connection of Leet with the White House, and the influences exerted, is set out as follows in the report of the minority of the committee: "Leet resigned from the army August 1st, 1870, availing himself of his right, under the law, to one year's full pay from that date as Lieutenant-Colonel, about $2,850. He returned to New York and endeavored to obtain from Mr. Grinnell the whole of the general order business, and, according to the evidence of White and Lindsay, threatened Mr. Grinnell with removal if his demands were not complied with. Mr. Grinnell did not comply with his demands, and certainly was removed, and Mr. Thomas Murphy appointed in his stead July, 1870. Early

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in September following, Mr. Leet, who had by that time in some way—which he does not account for definitely—become associated with Mr. W. F. Stocking, commenced with him to carry on the warehouse business. About the same time Mr. Murphy very promptly complied with Mr. Leet's requirements, and secured to him and his partner the monopoly of the general order business of the North River side, and continued during his official term, which ended in November or December, 1871, to uphold the firm in the gross abuses and scandalous extortions disclosed by the testimony; and was himself upheld in Washington in upholding them in defiance of public opinion, the petition to the mercantile community, and against the judgment and wishes of his official superior, the Secretary of the Treasury.—[*Murphy's testimony, vol.* 3, *pp.* 382–6.]

In the light of the foregoing facts, can it be in the least doubted that Leet, having originally discussed the general order business with the President, and his intent and desire to obtain it, received from him the letter to Mr. Grinnell; and that, by means of that letter, and it alone, and his relations with the President, and with his consent and approval, the business was obtained by him? It is true that Leet states that although he left "the mess" at Washington, to go to New York to obtain this business, and although the President and his messmates knew the object of his visit, yet that he never informed them whether he had succeeded or failed, but kept them—his particular friends and well wishers—in complete ignorance, although to comparative strangers like White, Lindsay, Bixby, Mudgett and others, the position of his affairs seems to have been well known.

We might accept this extraordinary story for what it is worth, but for the awkward facts that Mr. Leet was frequently contradicted on material points in his testimony by other witnesses, and even by himself, and by his own letters when produced for his inspection. These contradictions are too numerous for us to do more than to refer to them in the testimony, especially his own. Though we assume the fact to be that neither the President nor his two special secretaries, the intimate friends and messmates of Col. Leet, had any knowledge whatever of his connection with the general order, whether derived from Leet or Murphy, or from any source, yet this ignorance could not by any possibility have been prolonged later than the 3d of March, 1871, when the testimony taken by the Patterson Committee, and contained in Senate Report 380, Forty-first Cong., third session, was published to the world, and became the subject of Congressional debate The testimony so taken and published disclosed the relations of Leet & Stocking to the general order business to the same effect, but not quite so fully, as does the testimony now under consideration; and yet the insurmountable fact stands that, with full knowledge of the effect of his letter of introduction of Leet to Grinnell, and of his connection with the general order, and the abuse of his position; despite the fact that Mr. A. T. Stewart twice took the pains [*vol.* 1, *pages* 115, 116] to give the President full information of the condition of affairs, yet not one step was taken, no real word uttered by the President to remove a person who, it is alleged, had deceived and disobeyed him, and who, under the cover of his sole personal recommendation, had wrought such injury to the merchants in New York, and brought scandal and disgrace upon the public service. Who will deny that Leet & Stocking could have had the general order privilege withdrawn from them at the word of the President? The influence that upheld them, therefore, is no longer a "mystery." Nor is it to be wondered that although the present collector, Arthur, has at last, in accordance with instructions of the Secretary of the Treasury, broken up the monopoly and otherwise measurably reformed the general order system in New York, yet that Leet & Stocking are to this hour in the enjoyment of a very large and lucrative portion of the general order business."

THE "MYSTERY" CLEARED UP.

"Indeed, the more we consider the facts the less 'mystery' is there as to the 'power' that alone upheld them and their exactions throughout. Twice, one hundred of the largest importing and banking houses of New York remonstrated against the new general order system, first to Collector Grinnell and next to Collector Murphy. As early as May, 1870, Messrs. Robinson and Evans, the Commissioners appointed by the Secretary of the Treasury, reported in favor of the restoration of the old general order system."—[*House Ex. Doc.* 313, *Forty-First Congress, Second Session, pp.* 23, 24.]

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Twice Mr. A. T. Stewart, of New York, personally called the President's attention to the subject, and the strong necessity of reform—once in October, 1870, and again in the summer of 1871. In this great merchant the President had such confidence that, in forming his Cabinet, in March, 1869, he selected him as the Secretary of the Treasury. Mr. Stewart also spoke to Collector Murphy on the same subject, and urged on him the fine opportunity presented to him.—[*Vol.* 1, *p.* 116.]

"Early in 1871 the Joint Select Committee of both Houses of Congress investigated the general order of New York, and, by a mass of testimony from the most eminent merchants and business men, exposed to Congress and the country the enormity of the system in the hands of Leet and his associates, and the means by which he got hold of a monopoly so oppressive. This exposure was but the expression, in its most authoritative form, of the all but unanimous voice of the community and press of New York.

"Twice the Secretary of the Treasury, evidently much impressed by the remonstrance of the commercial community of New York, and by the concurrent testimony of his own Commission, wrote to Collector Grinnell on June 1st, 1870, and again on June 9th, 1870, urging the same views on him. [See these letters at the end of this report.] A third time the Secretary wrote to Collector Murphy to the same effect. Yet nothing was done at Washington for the relief of the commerce of New York; nothing was done to remove Leet & Stocking from the position they so grossly abused; nothing was done to break up their monopoly, before unheard of in New York, or even to reduce their extortionate charges. Despite of everything, Leet and his associates held their ground. They maintained themselves and their exorbitant monopoly in defiance of the merchants of New York; of the press and public of New York; of the Joint and Select Committee of Congress in 1871; in defiance of the Secretary of the Treasury himself; in defiance of public exposure and public decency. Nay, at this hour, notwithstanding a reform of the whole general order system, they are able to maintain themselves in an important share of the business, publicly enjoyed by them, besides whatever private interest they may share with others.

"What, then, is the 'power' which has so sustained and upheld Leet & Company even to this moment? Where in the Government is the 'power' which is stronger than the merchants, the people, and the press of New York; stronger than the two Investigating Committees of 1871 and 1872; stronger even than the Secretary of the Treasury; and so much stronger than each and all of these as to defeat them one and all without an effort? To this question there can be but one answer, and that so very plain as to leave no 'mystery' whatever, about the matter."

EIGHTH.—It was also shown by scores of witnesses, many of them employés of the Custom House, that inspectors, weighers and other officials, were in the habit of accepting bribes and suffering frauds to be committed upon the revenue by small importers. The agent of every steamship company at New York testified that inspectors were constantly demanding the payment of money for favors granted in allowing vessels to be discharged rapidly. Entry clerks, a class of important officers, on whose prompt dispatch merchants are absolutely dependent, were also in the habit of demanding and accepting bribes. In regard to the practices of the weighers the minority of the committee in their report speak as follows:

"The alarming fact also appears throughout the testimony relating to the weighers' department that the weights of dutiable merchandise, upon the truth and accuracy of which the Government depends for the ascertainment of its just dues, are seldom, if ever, taken by a sworn officer of the United States. The process almost invariably is that the goods are weighed by a gang of laborers, generally five in number, one of whom adjusts the beam and makes a memorandum of the weight. These men are paid forty cents per hour, and are of the average class of dock laborers and employed for no fixed period, but irregularly, and almost by chance, by the weigher himself, who is seldom present during the operation of weighing. The weigher usually has an office within his district where he or his clerk receive the returns from the men who take the weight, knowing nothing of their accuracy, and these returns are carried to the Custom House, and upon them the duties to be paid are calculated. It is not surprising that under such a condition of things gross frauds are perpetrated upon the revenue.

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"It is shown also by the testimony, that the importers employ city weighers at their private expense, and that the Custom House weighers adopt their returns, making charges for labor, &c., in weighing, which has never been performed. So open and notorious are these frauds and practices, that they either must be known to the leading officials at the Custom House, or those officials must be grossly derelict in their duty of supervision."

NINTH.—It was also proven that merchandise while in the custody of the Government was frequently stolen. Several large importers testified to this fact. Mr. Lewiston, an importer, testified (645 *vol.* 2) that in numerous instances his goods have been plundered at the public stores and general order stores. He had not only been unable to find remedy or compensation, but he had been compelled' to pay duty upon the merchandise abstracted.

Mr. Pohlaski [*vol.* 1, *page* 533] testified about the constant and serious plunder of cigars imported by him and his failure to obtain any satisfaction therefor.

TENTH.—It was established by the testimony of Mr. Horace Greeley, Charles Grant, George W. Palmer, and many other witnesses, that the "patronage" officers and employès of the Custom House were used to influence, and did in fact, influence and control both of the two last State Conventions of the Republican party in New York, and its general organization in 1870 and 1871. George W. Palmer, who was Appraiser of the Port of New York, testified that Murphy demanded that the influence and power of the Appraiser's office should be used to crush out the politicians he could not manage.

Mr. Palmer said: "The Collector then said that 'Gridley must be crushed out, as he was an enemy of General Grant, and this young man ought not to be turned out of my office; that he had told General Grant about it, and he was anxious to have him retained. I told him that if the facts were as he had been informed, and if he would give me the name of the young man, I would call him to me and say that he need not fear losing his place on account of the action he had taken. He thereupon handed me a paper with the name of 'James Corrigan' written thereon, saying that he was the person referred to. I then told him that James Corrigan had been with me that morning to say that Mr. Murphy's friends were opposed to him, and that he preferred to be removed from office, 'rather than go back on his old friends;' that this was his own language, and there must be some mistake about the story; but I would pledge myself that, as long as Mr. Corrigan was a good workman and a good Republican I should not disturb him for any such reason as that assigned. Mr. Murphy then said that General Grant was studying the politics of the State of New York with great care, and no one could appreciate the interest which he, General Grant, took in our State and city politics. He, Mr. Murphy, had told General Grant that the Federal office-holders here ought to work together, and compel all their subordinates to one line of policy, and that was, in supporting him, the President, as the head of the Republican party; that he, Mr. Murphy, General Jones, General Sharp, General Pleasanton, Mr. Cornell and myself, should get together and arrange who should go to the State Convention from the different districts. He had told 'the boys' in the different districts, for the purpose of harmony, that there should be sent men of wealth, as a matter of compliment, who would be willing to pay 'over five hundred dollars' toward the success of the party, for the honor conferred, and that we, the heads of the departments, should decide who should be the candidates for State delegates in the primaries in each district, and insist upon all employès in all the different offices supporting these candidates."

ELEVENTH.—In regard to the fitness of Mr. Murphy to the important office of Collector of New York, the minority of the Committee say:

"We believe that the extracts made of the testimony taken in this case, in relation to Mr. Murphy and his method of conducting the affairs of the Collectorship, will render it obvious that he was a very unfit man for the position, totally without a proper comprehension of its duties and almost totally without the capacity to fulfill them. The tenure of political office under his administration was made solely dependent upon bald partisan service, generally of the basest character. Merit in office was overlooked or disregarded if it did not accompany the most facile and slavish obedience to party demands. Personal unworthiness and profligacy were totally disregarded if unhesitating political adherence was given. The result was necessarily fatal to the public service. To be a good and reliable public officer means to be a reliable man and good citizen. The qualities that

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form our security in private life are our best safeguards in public life. A public official who will sacrifice his personal convictions of right and independence of thought to gain or keep in office will be unworthy of trust when in office. If such an example be set by those high in authority, nothing can be expected but that it will be followed by their subordinates. Like master, like men. If the Collector of the Port be nothing better than a ward politician, with the habits, instincts and tone of his class, his subordinates will, very shortly, be found to follow and imitate him. If Mr. Murphy totally overlooked what was due to the public service in making his appointments, if he bargained and sold places of inspector, weigher, gauger, and the like, how could it be expected that his appointees will be faithful to the Government, or that bribery or corruption, delinquency and abuse should not mark nearly every department and feature of his Administration?"

TWELFTH.—The outcry against Murphy from the entire commercial community of New York was so great that the Administration was compelled to get rid o him. He was induced to resign, and the President in accepting his letter of resignation, wrote as follows:

EXECUTIVE MANSION, WASHINGTON, D. C., November 20, 1871.

DEAR SIR: Your letter of the 18th instant, tendering your resignation of the office of Collector of the Port of New York, with the reasons therefor, is received. It gives me great pleasure to bear testimony to the efficiency, honesty and zeal with which you have administered the office so long as it has been entrusted to your keeping. Your own peace of mind, no doubt, will be enhanced by leaving the office of Collector, but I doubt whether such a course will in any sense be a benefit to the public service. Under your administration the revenues from the New York Custom House have been largely increased, and the cost of collection in proportion to the amount collected has been greatly diminished. This is shown by the records of the Treasury Department. You have had my unqualified confidence ever since you entered the office of Collector. You had that confidence before, or the appointment would not have been tendered you. That confidence is still unshaken, and in accepting your resignation, I desire to give you the fullest assurance of this fact. Whether you remain in or out of office, time will convince a just public of your entire innocence of the charges brought against you.

With great respect, your obedient servant, U. S. GRANT.

Hon. THOMAS MURPHY,
Collector of the Port of New York.

Thus it will be seen that the President in the face of all the damaging facts disclosed by the investigation of the New York Custom House indorses the Administration of Collector Murphy in the highest terms. But the majority of the Committee in their Report goes still further. They not only indorse Murphy's administration of the Collector's office, but they indorse the general order system under its new and oppressive form, whereby Leet & Stocking were realizing immense profits by their exactions on the merchants of New York.

The report of the majority, covering more than one hundred printed pages, is a special plea throughout in behalf of Grant's Administration and of Tom Murphy's conduct as Collector of the Port of New York. They defend the transfer of the general order business from the steamship companies to Leet & Stocking, and contend that the charges against this firm by the merchants of New York were "wanton and outrageous." They have not one word of condemnation for the excessive charges made by Leet & Stocking for the carting and storing of goods of importers; they have no severe reflection to make upon the order which gave Leet & Stocking a monopoly of the general order business; but they do censure foreign steamship owners for daring to protest against the action of the Collector in interfering with their business, and say: "It may be thought strange that two foreign steamship companies should be the first to make an issue with the Collector of an American Port and should be the first to appeal to the American public to vindicate their right to store American merchandise on American ground.

In their conclusions the committee hold that "in the judgment of the committee the Government ought not to permit steamship companies to have control of general order stores;" and further the majority of the committee argue that some system like that of Leet & Stocking should be continued, although they are compelled to recommend that the charges for cartage and storage should be somewhat reduced.

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The majority justifies the interference of Custom House officials in local politics and reflect severely upon Mr. Greeley, Mr. Palmer, and others who had denounced this interference. They gloss over the facts which were developed in regard to clerks and other employés in the Custom House accepting bribes; and in general claim that the administration of the New York Custom House under Tom Murphy was in every respect a highly respectable one.

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FRAUDS IN ERECTING PUBLIC BUILDINGS

THE PERCENTAGE TO REPUBLICAN PARASITES.

One of the most prolific sources of fraud under the Republican administration of the Federal Government has been the erection of Public Buildings. The same extravagance in the expenditure of the public moneys, and the same reckless, defiant, violation of law which has characterized the conduct of Republican officials in every department of the public service was exhibited on a grand scale by the officer who was charged with the supervision of all the public works in the United States, under the control of the Treasury Department.

The following table shows the amount of money expended from the formation of the Government in 1789, to the 30th of June, 1860, for the purchase of sites, and the erection of Public Buildings, properly belonging to and under the control of the Treasury Department, and also the amount expended for Public Buildings since 1860, to June 30th, 1876, under the direction and supervision of the Supervising Architect of the Treasury.

A SUGGESTIVE EXHIBIT.

TABLE *exhibiting the cost of* CUSTOM HOUSES, COURT HOUSES, POST OFFICES, APPRAISERS' STORES, *&c., &c., purchased and built by the United States from the beginning of the Government up to June 30th,* 1860, *and from June 30th,* 1860, *to June 30th,* 1876. [Compiled from the Statutes at Large of the United States.]

BUILDING.	BUILT BETWEEN 1789 and 1860.	BUILT BETWEEN 1860 and 1876.
Albany Custom House (site)		$255,000 00
Atlanta Custom House		300,000 00
Alexandria Custom House, &c.	$78,392 79	
Alaska Custom House		5,889 21
Astoria, (Oregon), Custom House		74,442 50
Auburn, (N. Y.), Court House		4,000 00
Bath Custom House	122,740 13	
Bangor Custom House	195,910 04	91,000 00
Barnstable Custom House	38,693 32	
Baltimore Custom House, &c	544,916 89	144,000 00
Baltimore Public Stores	286,696 00	
Baltimore Post Office	255,176 97	100,000 00
Belfast Custom House	39,251 88	
Boston Custom House	1,309,051 98	55,000 00
Boston Court House	129,163 46	
Boston Post Office		3,398,757 06

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Building.	Built between 1789 and 1860.	Built between 1860 and 1876.
Boston Sub-Treasury Extension		2,328,879 75
Boise City Assay Office		77,468 52
Bristol Custom House	33,705 39	
Buffalo Custom House	330,426 80	
Burlington Custom House	77,220 57	5,933 60
Cairo Custom House		281,427 27
Castine Custom House	600 00	600 00
Carson Branch Mint		280,326 00
Charleston Custom House	1,910,413 14	533,915 43
Charleston Post Office	130,014 80	266,000 00
Charlotte Mint	47,629 29	
Chelsea Hospital	283,015 31	95,000 00
Chicago Marine Hospital		285,796 24
Chicago Custom House, &c		2,340,000 00
Cincinnati Custom House	370,496 00	2,697,000 00
Cleveland Custom House	202,618 88	
Cleveland Marine Hospital	122,831 03	
Columbia (S. C.) Court House		381,899 75
Covington (Ky) Court House		405,000 00
Dallas City Mint		10,000 00
Des Moines Court House		136,437 00
Detroit Custom House	228,491 39	28,500 00
Detroit Marine Hospital	109,535 97	
Denver Mint		94,377 69
Dover (Del.) Post Office		40,000 00
Dubuque Custom House	194,672 50	45,000 00
Eastport Custom House	5,814 71	
Eastport Custom House	44,986 35	
Ellsworth (Me.) Custom House	26,354 25	
Erie Custom House	63,691 40	
Evansville (Ind.) Custom House		100,000 00
Fall River Custom House		240,000 00
Galena (Ills.) Custom House	77,872 44	4,394 08
Galveston Custom House	152,868 30	
Georgetown (D. C.) Custom House	67,786 83	
Gloucester Custom House	51,090 11	
Grand Rapids Custom House		120,000 00
Harrisburgh (Pa.) Court House		160,000 00
Hartford Custom House		350,000 00
Helena Assay Office		4,075 25
Indianapolis Court House		112,000 00
Jersey City Custom House		100,000 00
Kennebunk Custom House	3,923 42	
Key West Custom House	12,923 63	
Key West Court House	3,091 71	
Key West Marine Hospital	31,432 86	
Knoxville Custom House		311,047 00
Lincoln (Neb.) Post Office		130,000 00
Little Rock Post Office		25,736 00
Louisville Custom House	262,640 72	22,500 00
Louisville Marine Hospital	98,998 11	15,000 00
Machias Custom House		45,766 00
Madison (Wis.) Court House		290,082 72
Memphis Court House, (1860)	15,343 90	
Middletown (Ct.) Court House	33,317 80	
Milwaukee Custom House	242,140 00	48,453 17
Mobile Custom House	447,145 36	15,000 00
Mobile Marine Hospital	55,339 71	

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Building.	Built Between 1789 and 1860.	Built Between 1860 and 1876.
Nashville Custom House		427,000 00
Natchez Custom House	66,790 37	
Newark (N. J.) Custom House	183,197 08	
New Bedford Custom House	44,805 53	
Newburyport Custom House	33,584 82	
New Haven Custom House	206,943 05	20,000 00
New London Custom House	29,059 45	
New Orleans Custom House	3,009,499 31	1,039,327 85
New Orleans Branch Mint	627,386 13	
New Orleans Marine Hospital (1)	122,772 70	
New Orleans Marine Hospital (2)	530,090 84	
New Orleans Quarantine Warehouse	45,044 12	
New Orleans Boarding Station	3,835 70	
New Orleans Boarding Station	16,461 70	
Newport Custom House	29,328 46	21,241 75
New York Custom House	70,000 00	
New York Custom House		45,000 00
New York Custom House	735,882 74	
New York Old Post Office		
New York Post Office		7,227,264 90
New York, 23 Pine street	13,843 05	
New York Revenue Dock		294,000 00
Norfolk Custom House	263,597 20	
Ocracoke Hospital	9,227 07	
Ogdensburgh Custom House	230,633 92	98,701 00
Omaha Court House		272,500 00
Oswego Custom House	136,333 47	
Parkersburgh Custom House		168,000 00
Plattsburgh Custom House	76,926 68	
Pensacola Custom House	60,748 73	
Pensacola Marine Hospital (site,&c. acquired from Spain.)		
Perth Amboy Custom House	3,374 66	
Petersburgh Custom House	117,831 70	10,000 00
Pittsburgh Custom House	135,391 28	
Pittsburgh Marine Hospital	72,554 57	
Philadelphia Custom House	332,693 03	30,000 00
Philadelphia Court House, &c	261,560 89	
Philadelphia New Court House, &c		3,040,000 00
Philadelphia Mint	428,982 83	
Philadelphia Appraisers' Stores	649,127 33	309,905 55
Philadelphia Lazaretto	8,832 00	8,000 00
Plymouth (N. C.) Custom House	5,438 70	
Portsmouth (N. H.) Custom House	182,220 68	
Portland Custom House	542,028 85	457,721 63
Portland Court House	401,302 50	140,398 00
Portland Marine Hospital	121,633 40	10,000 00
Portland (Oregon) Custom House		506,000 00
Port Huron Custom House		200,000 00
Providence Custom House	13,492 26	
Providence Custom House	280,024 80	
Raleigh Court House, &c	104,650 20	500,000 00
Richmond Custom House	288,175 82	25,000 00
Rutland (Vt.) Custom House	84,211 49	
Rockland (Me) Custom House		95,000 00
St. Augustine Custom House	14,515 43	
St. Louis Custom House (old)	389,768 11	
St. Louis Custom House (new)		2,900,000 00
St. Louis Marine Hospital	115,469 65	

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Building.	Built Betwedn 1789 and 1860.	Built Between 1860 and 1876.
St. Paul Custom House		395,547 53
San Francisco Custom House	829,743 18	17,500 00
San Francisco Hospital (old)	389,768 11	
San Francicco Hospital, (new)		74,689 56
San Francisco Appraisers' Stores (old)	104,591 85	
San Francisco Appraisers' Stores (new)		508,000 00
San Francisco Mint (old)	303,929 10	
San Francisco Mint (new)		2,275,542 82
Salem (Mass.) Court House	40,494 99	
Sandusky Custom House	90,439 47	10,000 00
Savannah Custom House	189,049 94	15,000 00
Santa Fé Custom House	16,231 59	
Springfield (Ills.) Court House	9,000 00	170,000 00
Suspension Bridge Custom House		6,000 00
Toledo Custom House	101,643 42	10,000 00
Trenton Court House		200,000 00
Utica Court House		161,026 32
Waldsboro' (Me.) Court House	24,860 93	
Washington Treasury Building	6,533,572 80	3,678,930 52
Wheeling Custom House	125,994 58	
Williamsport Public Building		3,000 00
Wilmington (Del.) Custom House	65,070 55	
Wilmington (N. C.) Custom House	43,774 45	
Windsor (Vt.) Court House	94,813 77	
Wiscasset (Me.) Custom House		29,000 00
Sundry Public Buildings		2,255,051 92
Washington Old Treasury		40,000 00
Washington New State and War Dept		3,512,000 00
Washington Post Office		9,171 99
Totals	**$28,640,170 38**	**$51,164,978 05**
Expended for Public Buildings since the beginning of the Government		$79,805,148 15
Expended in the seventy-one years previous to 1860		$28,640,170 38
Expended during fifteen years of Republican supremacy and misrule		**$51,164,978 05**
Excess of Republican expenditures		$22,524,807 67
Average annual expenditures before Republican ascendancy		$403,382 68
Average since		**$3,410,998 53**

By the above exhibit it will be seen that from the formation of the Government down to the time the Republican party came into power, in 1861, a period of seventy-two years, the total expenditures on account of public buildings over which the Treasury Department had control was $28,640,170.38, and that the expenditures for like purposes from 1861 to 1867, a period of fifteen years, were **$51,164,978.05.**

NO CHECK AGAINST FRAUD.

The Supervising Architect's office was not created by law, but grew from the smallest beginning, until it is now one of the most important bureaus of the Treasury Department. The Supervising Architect of the Treasury originally had charge of the Treasury building extension only; now he supervises the erection of all the public buildings in the United States, designed for custom houses, court houses, post offices, mints, assay offices, appraiser's stores, marine hospitals, and the Government Jail in the District of Columbia. Some idea of the magnitude of

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the operations of the Supervising Architect's office now will be conveyed when we state that in 1872-'73 there were in course of erection in the United States fifty public buildings, and every dollar of money disbursed therefor was under the absolute control of the Supervising Architect. Besides this, there were vast sums annually expended for repairs of old buildings. Until Mr. Bristow became Secretary of the Treasury, there was no check whatever upon the Supervising Architect's office. All of his accounts were passed simply upon his approval. The accounting officers of the Treasury did not pass upon these accounts, save to determine the correctness of the additions of the columns of figures. They had no power to determine whether the expenditures were in accordance with law, or whether there was an appropriation for the same or not. When Secretary Bristow assumed the duties of his office, his attention was called to this anomalous condition of things, and he directed that hereafter all accounts of the Supervising Architect must be passed upon by the accounting officers, as the accounts of all other disbursing officers are.

Under the loose management of this branch of the Treasury Department, all the accounts for fuel, gas and water consumed in public buildings, as well as the expenditures for furniture, passed through the Supervising Architect's office, and were paid upon the approval of the Supervising Architect. The accounting officers had no voice whatever in determining the legality of any of these expenditures. It is a notorious fact that every year a deficiency appropriation has to be provided for the fuel, light and water accounts.

THE MAGNITUDE OF THE JOBBERY.

Some conception of the magnitude of the operations of the Supervising Architect's office will be had by a careful examination of the appropriations for "Public Buildings under the Treasury Department, for the fiscal year 1872 and 1873." They are as follows:

For Custom House, Rockland, Maine	$75,000 00
For Custom House, Boston	30,000 00
For Custom House, Fall River, Mass	200,000 00
New State Department, Washington	1,500,000 00
Post Office, New York	1,900,000 00
Government Building at Albany, N. Y	159,000 00
Post Office, Philadelphia	1,500,000 00
Custom House, Charleston, S. C	172,081 00
Custom House, New Orleans	170,000 00
Post Office and Custom House, Port Huron, Mich	100,000 00
Post Office and Custom House, Cincinnati	750,000 00
Custom House, Knoxville, Tenn	66,647 00
Custom House, Nashville, Tenn	150,000 00
Custom House, Chicago	800,000 00
Court House and Post Office, Omaha	71,000 00
Marine Hospital, Chicago	23,825 00
Appraiser's Stores, San Francisco	408,000 00
Custom House, Portland, Oregon	76,500 00
Custom House, St. Louis	1,000,000 00
Post Office and Court House, Raleigh, N. C	100,000 00
Additional ground for Post Office, Boston	800,000 00
Total amount	$10,052,053 00

This was not an annually large appropriation that of the year before, 1871-'72, was about the same, and that for the fiscal year 1873-'74 was still larger. In the disbursement of this $10,000,000, there were no contracts made for the erection of a building for a gross sum, but the Supervising Architect let out a number of contracts on the same building, for stone, iron-work, wood-work, and the like. Then there were men—Government agents—to superintend this work. The workmen were all borne on the Government pay-rolls, and the Government paid superintendents to watch them, and then on the total cost of the whole work the contractors received fifteen per cent. Thus it will be seen that the commission which went into the pockets of favorite contractors out of this ten million dollars appropriation was $1,500,000.

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WHERE BOSS SHEPHERD CAME IN.

In the contracts for repairs on old buildings, the same system prevailed. Boss Shepherd is the owner of two patents in which Mullett, formerly Supervising Architect, owned an interest; one is for the Vaux patent-roofing, and the other is for a patent anti-freezing pipe used in plumbing work. Shepherd had a contract with the Government which gave him a monopoly of all the roofing and plumbing and gas-fitting in all of the Public Buildings in the United States, new as well as old. His workmen were sent from Washington to different points to to do this work. Their pay began at the time they left Washington, and continued until they returned. Their traveling expenses were paid by the Government, and all the material purporting to be shipped from Washington was charged to the Government at so-called wholesale prices. When the whole work was completed, all these various expenses were footed up, and then Shepherd was paid fifteen per cent. on the total cost, and in addition ten per cent. royalty for the use of his patents. All the roofing, plumbing and gas-fitting on the Custom House at Portland, Oregon, was done by Shepherd, and his workmen were paid their per diem from the time they left Washington City until they returned, and their traveling expenses were added in also to swell the total cost. Then, in addition, all the gas fixtures used in the public buildings are bought of the Tucker Bronze Company, in which Shepherd is the principal stockholder. All the old public buildings throughout the United States were stripped of their gas fixtures, and supplied with new ones purchased from the Tucker Bronze Company.

A HISTORY OF THREE SPECIMEN JOBS.

Let us give a brief history of three or four of the Public Buildings which have been recently erected under the system above described, and then let the honest people of the country determine whether a party that permits such reckless extravagance in expenditure of public money is to be trusted.

There was a Custom House and Post Office to be erected in St. Paul, Minnesota. Mr. Mullett, as Supervising Architect, made his estimates and submitted them to Congress, recommending an appropriation for this purpose. There was some trouble about getting the appropriation, but Mullett brought it before the Committee on Appropriations, and did all in his power to get it recommended, and then worked like a beaver to carry it through the House. The building, according to his estimate, was to cost only $173,335. Having obtained the appropriation, the work began at once. The first thing done was to make a contract with a man named F. R. Delano for granite, to be delivered at the building site for 65 cents per cubic foot. This was done without advertisement, and hence no competition was permitted. Delano delivered a portion of the stone, and then he was allowed to throw up the contract, and the Government paid men to quarry the stone and cut them under his supervision, allowing him 15 per cent. on the gross cost of the same. A great quantity of lime stone was used in the construction of the walls, and although the whole city is underlaid with this material, the Government leased a quarry from one William F. Davidson, paying him 35 cents a cubic foot for the privilege of working it. The result of all this jobbery was a building costing the people of the United States $379,000, more than $200,000 beyond the original estimates. This job was investigated by a Committee of the House of Representatives, at the third session of the 43d Congress, and all the facts given above were proven to be true.—[*See Report No.* 58, *H. R.*, 3*d Session* 43*d Congress.*]

THE NEW YORK CITY POST OFFICE.

Take the New York Post Office and Court House as another example. A Commission was appointed, under a resolution of Congress, composed of the Hon. John T. Hoffman, then Mayor of the City; James Kelly, then Postmaster; Samuel G. Courtney, then U. S. District Attorney; A. A. Low, the President of the Chamber of Commerce; Jackson S. Schultz, Charles H. Russell, Charles H. Rogers and Moses Taylor, to select and approve plans and specifications for a suitable Post Office building. A plan was finally approved, and submitted to the Secretary of the Interior and Postmaster-General, and approved by them also. The report of the Commission was forwarded to Congress, and referred to the Committee on Post Offices and Post Roads, and was formally approved by it. The architects, the most competent in New York city, who prepared the plan,

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made careful estimates of the cost of the building, which amounted to (allowing liberal allowances for contingencies) the sum of $3,542,930. Mr. Mullett objected to these plans, criticised them before the Committee on Post Offices and Post Roads, on account of the alleged extravagant cost of such a building. At the same time he estimated for a first-class granite building of the same dimensions and equal capacity, and similar design, $2,156,551.06. The Committee did not see proper to adopt and recommend his plan to Congress. However, at the last session of the 40th Congress, $200,000 was appropriated to commence the construction of the building, Mr. Mullett threw aside the plans adopted by the Commission aforesaid, and approved by Congress, and prepared outline plans of his own, and proceeded to expend $480,000. His building covers an area of ten thousand square feet less than the one projected by the New York architects, and yet there has been expended up to June 20th, 1876, $7,227,264.90, and there was yet due for work done and unpaid for, $227,566.78, making a total of $7,454,831.68, or $5,298,276,62 more than his estimate of March, 1869, for a larger building.

HOW CONTRACTS WERE MADE.

In making contracts for the stone used in the construction of the New York Post Office, no competition was allowed. A contract was made with the Dix Island Granite Company to furnish for 65 cents per cubic foot all stones whose quarry dimensions did not exceed 20 cubic feet, and one cent additional for every cubic foot of those whose dimensions exceeded 20 cubic feet. The Government was bound to pay the Dix Island Granite Company the full expense of working, dressing, insuring and boxing the stone, and in addition 15 per cent. on the total cost of the same; that is, the Dix Island Granite Company furnished the men to cut, dress, and box the stone, and the Government paid their wages, and gave the Company 15 per cent. additional.

When the Committee on Post Offices and Post Roads investigated this job, the Supervising Architect gave this excuse: "If the Government hires the men to quarry and cut the granite, they would be paid and made to work but eight hours a day, while for contractors they would work ten hours." In commenting on this the Committee in their report say: "As there is no law prohibiting men working ten or more hours for the Government, we suppose they would be willing to work the same number of hours for the Government as for other parties, if they received equal wages, or the Government could pay less wages for less hours of work, but as a pretext or subterfuge to get more hours of work from laborers in an indirect manner (and that too by putting the profits in the pockets of contractors) than could be obtained lawfully by direct means, is as unworthy, as it is disingenious and absurd. At all events, no pretext of that kind can stand in the way of advertising a contract for the cutting of stone by quantities, according to specifications and working drawings. The Committee found the excavating and mason work for the foundation of the building being done chiefly by day's work, under the superintendence of the following named gentlemen: The Hon. Calvin Hubbard, General Superintendent, at a salary of $16 per day, J. T. Smith, Assistant Superintendent, at $8 per day; a foreman mason and a foreman stone cutter at $7 per day each; a master rigger, and a foreman for the laborers at $6 per day. General P. H. Jones, disbursing agent, and J. R. O'Bierne, paymasters, and that the eight hour rule was not followed either. Although the men were working for the Government, they worked all day, according to the testitimony of the Superintendent, and your Committee can see no good reason why they could not work equally as many hours for the Government in the stone quarry as in the City of New York."

THE BOSTON POST OFFICE.

The contracts that were made with the Cape Ann Granite Company for the granite for the Boston Post Office are still more outrageous. The history of this building is summed up as follows, by the Committee on Post Offices and Post Roads, in their report on Post Office buildings, Second Session, 41st Congress: "By joint resolution approved March 2nd, 1867, a commission consisting of the Mayor and Postmaster of the City of Boston, the Assistant Treasurer of the United States at said city, the President of the Board of Trade, Alpheus Hardy, Daniel Davies, and John A. Andrews of said city, were appointed to select a site for a Post Office and Sub-Treasury Building in Boston, and directed to report to the Postmaster-General and the Secretary of the Treasury the selection

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that might be agreed upon, and the price at which it could be purchased. The report of this commission, with their approval of the same, was submitted to Congress by said officers on the 6th day of March, 1868, and on the 12th day of the same month said commission was authorized, by joint resolution, to purchase the site for which they had negotiated, to wit: On Devonshire street, between Water and Milk streets, embracing an area of about thirty thousand square feet, for a sum not exceeding $500,000. The site was subsequently purchased for $453,000, and is considered central and eligible for the business wants of that city. The City Government has provided for the widening and grading of the streets adjoining, at a cost of half a million dollars to the city."

WHAT THE COMMITTEE FOUND.

The Committee find that before any work was done on this building the merchants of Boston employed Gridley J. F. Bryant, an architect of acknowledged ability, and skilled in his profession, and the present Superintendent of the construction of the building, to prepare drawings for superstructure thereof, but it does not appear that these were adopted by the Supervising Architect, or that he even submitted them to the Secretary of the Treasury. Work has been commenced and is now progressing on the building, in accordance with plans and working drawings prepared by the Supervising Architect, for the basements thereof, the sum of $200,000 having been appropriated for laying the foundation, and commencing the building, by act approved March 3d, 1869. The excavation was completed, the retaining or area walls of the building and the foundation under the basement floor partly finished at the time the Committee completed its investigation in Boston, but the appropriation was not then exhausted.

In the examination of the Supervising Architect by the Committee, the question was put to him, "Were the contracts in Boston made upon an advertisement?" to which he replied, "All except the granite work. In respect to that, the Secretary found that there was a combination to put up the price of granite, and leased a quarry upon more favorable terms than the material could have been otherwise obtained."

How much the Secretary "found" concerning this matter may be gathered from his statement to the Committee when asked whether he had authorized the making of contracts for material and labor without advertisement; he replied, "I presume that Mr. Mullett informed me of the terms of the proposed contracts before they were made, and that I approved the proposition."

The history of the contracts for the Boston building is as follows: It will be noticed that the appropriation for this building was made on the 3d of March, 1869. Shortly afterward, or soon after the appointment of Delano, Commissioner of Internal Revenue, one Jonas H. French, of Boston, a distiller by occupation, according to his own testimony, visited Washington for the purpose or getting his distillery released from seizure for violation of the Revenue laws. While in Washington he states he was advised by General Butler to purchase a stone quarry by way of an investment for some loose capital which he then had; that he returned to Boston, considered the matter, and shortly afterward purchased five-sixths of an unused quarry at Cape Ann, taking possession on the last of April, 1869. Mr. Gardner, who was part owner and a director of the Rockport Granite Company, testifies that it was understood in Boston, prior to April, 1869, that a bargain had been made with French to furnish the granite, and that on April 17th, 1869, he wrote to the Secretary of the Treasury upon the subject. His letter to the Secretary of the Treasury, which has been furnished to the Committee, is reported in the evidence. That letter seems to have broken the arrangement with French, if any had been made at that time.

WHERE BEN BUTLER CAME IN.

In the correspondence the Committee find a letter of which the following are extracts, from Mr. Mullett and Mr. Bryant, under date of April 3d, 1869:

"I have this day had a conference with Gen. Butler and some other gentlemen from Massachusetts in regard to granite for the foundation and basement story of the post office. * * * * The only chance we have of conforming to the requirements of the law, &c., is to lease some good quarry, and quarry the stone by day's work, or by the cubic foot delivered at the wharf at Boston. I have also requested General Burt to do me the favor to confer with you on the

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subject, and I think it would be more satisfactory if you can induce him to accompany you to the quarry, as I know that a concurrence of opinion between you would place the matter beyond cavil in this city."

On April 7th, 1869, Mullett sent to Bryant the following telegram: "Take no action in regard to letter of April 3d, until return of Colonel French from this city."

On the 28th of April, 1869, Mr. Bryant, under directions of Mr. Mullett, issued a circular or letter to the owners of four or five quarries, including that of French and the Rockport Granite Company, inviting proposals to furnish the foundation stone for the building. In response to that letter or circular, the Rockport Granite Company offered to furnish foundation stones for the building at 40 cents per foot, delivered at the site of the building, and half a cent per foot additional for stone measuring more than twenty cubic feet, or to lease a quarry to the Government at 20 cents per ton, bankage and wharfage. At the same time French, in behalf of the Cape Ann Granite Co., offered to furnish the foundation stone at 45 cents per foot, and one cent additional per foot for stone measuring more than twenty cubic feet, in addition to 25 cents bankage and wharfage for lease of quarry.

MULLETT WANTS BUTLER'S MAN TO GET IT.

On May 21st, Mr. Mullett transmitted to Bryant, the superintendent, a contract and lease to be executed by the Rockport Granite Company, with the following directions: "In case the Rockport Granite Co. refuse or neglect to execute the lease and contract at once, and give the required bond, you will offer the same to the Cape Ann Granite Co., substituting their price, as their bid is the next lowest received, and I enclose their proposal for that purpose. * * I should say that the Cape Ann Granite Company was preferable, even taking price into account."

"The Rockport Granite Co. refused to execute the lease sent them, alleging that it was a departure from the terms of their proposal and acceptance, whereupon the contract and lease was immediately tendered to French, who accepted the same."

"On May 26th, 1869, Gardner wrote to the Secretary of the Treasury protesting against the proceeding, and alleging that it was only a part of a matured plan to give the contract to French at all hazards, and that the contract and lease which had been sent him was not in accordance with the proposition which had been accepted; the Secretary referred the papers to the Solicitor of the Treasury, on June 1st, 1869, for his opinion whether the contract was in accordance with the proposals of the Rockport Granite Co. On June 9th, 1869, Solicitor Banfield reports in substance that the contract and lease tendered the Rockport Granite Company were not in accordance with their proposal and the acceptance of the Government on the circular which Mullett had issued. Thereupon, instead of executing the contract with the Rockport Company, the Supervising Architect issues a new circular of invitation of proposals, embracing conditions which it was very apparent no granite company which was in good faith carrying on a business would be willing to accept, requiring an absolute lease of the quarry with all its machinery and attachments of every nature and description, and provided that the Government might take stone for any other purpose than this building. The contract already executed by French was in this manner annulled or superseded.

BUTLER'S MAN GETS IT.

In answer to the second circular, the Rockport Granite Company agreed to lease a quarry (not their large one) for thirty-five cents per ton, bankage and wharfage, and to furnish the granite for the building, as sworn to by Mr. Gardner, for forty cents per foot in addition to the royalty of thirty-five cents per ton, with an increase of half a cent per foot for blocks measuring more than twenty cubic feet. At the same time French, for the Cape Ann Granite Co., proposed to lease a quarry at twenty-five cents per ton, and to quarry and deliver the stone for the foundation of the building for thirty-nine and three-fourth cents per foot in addition to a royalty of one cent per foot increase for blocks measuring more than twenty cubic feet. Up to this time it appears that Mr. French had not completed the purchase of his quarry, or organized any company whatever, although he had been making proposals and had even executed a contract with the Government, as the Cape Ann Granite Company, for he swears himself that the or-

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ganization of the Cape Ann Granite Co. was not made until the 6th of July, 1869, and on the 13th of July, 1869, Mullett directed a contract to be made with French for the Cape Ann Granite Company, precisely in accordance with his lease, which was done. This was for the foundation of the building only. Now, on the 26th of October, without any further advertisement, circular, letter, or other notice whatsoever, and without any opportunity for competition, the Supervising Architect of the Treasury directed that a contract be made with the Cape Ann Company for the granite for the superstructure of the entire building, and the cutting of the same, at 55 cents per foot for stone of less than twenty cubic feet, and one cent additional for stone more than twenty feet, with 25 cents per ton additional bankage and wharfage, with an agreement on the part of the Government to pay the entire expense of cost of work, and working, dressing, insurance, and boxing of stone, with 15 per cent. additional therefor, precisely similar in terms to the contract for furnishing the granite for the New York building.

THE COMMITTEE BELIEVES IT TO BE A JOB.

"By reason of the difficulty in ascertaining the cost of the granite in the rough, the size being nowhere limited, and the fact that the working and dressing of it is to be done by men almost wholly under the control of the contractor and the doubtful construction of the contract, the Committee find it impossible to satisfactorily determine the probable cost of the building when completed. The Supervising Architect estimates that it will be about $1,800,000, but the confidence of the Committee in his conclusions was shaken on discovering that he did not even know the contract price of the foundation stone. When first interrogated on this point, he replied: 'The price was about 45 cents per cubic foot;' afterward, that 'the granite that he got for 45 cents per cubic foot is from 65 to 75 cents in Boston;' and, finally, that he finds on 'referring to the contract, that the cost is 39¼ cents per cubic foot, with a royalty of 25 cents per ton.' It is submitted that the estimates of the officer who exhibits so little familiarity with the contracts made under his supervision should be received with great allowance.

The Committee is, therefore, unable to satisfy itself as to the cost of the building, and indisposed to report the latter contract as a favorable one, when so much is left to uncertainty and final adjustment."

HOW THE COST WAS SWELLED, AND WHY.

The cost of the Boston Post Office, as originally designed by Mr. Mullett, was $2,598,767.60. Subsequently he procured an extension to the building to be authorized, and the total cost up to date, and including site, is $3,398,757.06.

It was brought out in the investigation of the New York and Boston Post Offices that the system which permitted contractors to employ men by the day to work and dress stone did not afford sufficient protection to the interests of the Government. The Committee say: "The men are employed and discharged at the discretion of the contractor." By the interpretation of the contractor at Boston, which the Committee cannot dispute from the letter of the contract, not even the number of hours the men shall work can be regulated by the Government. He answers upon this point, as follows:

"Q. Suppose they should work but six or eight hours a day, could you charge a day's work for that, and charge fifteen per cent. on it?—A. Yes; because there is no arrangement on the subject that I know of."

"Q. If these men should work but six hours a day, is there no check upon that by the Government or Government Officers?—A. There is nothing stated in the contract."

"The Government thus seems to be in a measure at the mercy of the contractor; he pays the wages of the men employed by him, he charges up and receives in addition a sum equal to fifteen per cent. of the entire cost. If a workman shall occupy two days in performing a job that ought to be done in one, he realizes a profit of two days' work, instead of one. The most favorable opportunity for connivance is thus created, and every inducement exists to favor the contractor and enlarge his operations. No precaution in this regard is provided for in either of the contracts, beyond the covenant authorizing the Government to employ an agent, or agents, who shall take all necessary account of the cost and expense of preparing the stone for places in the building."

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EXPOSURE OF THE FRAUDS DID NO GOOD.

Notwithstanding the exposure of these frauds made by the Committee on Post Officers and Post Roads, in 1870, the same system which permitted them is continued to this day. The granite for the new State and Navy Department Building in Washington is furnished under similar contracts by the owners of a granite quarry near Richmond, Virginia. The granite for the new Post Office at St. Louis is also furnished under a similar contract, by a New England Company. The sand-stone for the new Post Office in Chicago is supplied in the same way from Cincinnati. The granite for the Philadelphia Post Office is supplied also by the Richmond Granite Company, in the same way, and so is the stone for the new Post Office in Cincinnati, and for a score or more of their buildings in other parts of the country, now under way.

THE PROOF OF SHEPHERD'S JOBBERY.

It is stated above, that Shepherd has a contract for roofing the public buildings with the Vaux patent roofing, and for doing the plumbing in the same. Here is the proof of this statement as testified to before the Committee on Expenditures in Public Buildings of the House of Representives at the 3d Session of the 41st Congress. In regard to this contract Shephard said: "When I submitted the proposition to the Secretary of the Treasury, he cut down the commission, saying that if I would take 15 per cent. he would accept the proposition, and where roofing and pipes of that kind were needed, we should have the orders. A formal arrangement of that kind was made in the name of William S. Carr & Co. Shortly afterwards we found it was best to put the same in the shape of an incorporated company, and we accordingly incorporated under the laws of the State of New York. I attend to the business here, finding it more convenient to do so. * * * We have put on the roofs of Government Buildings, the Court House at Richmond, Virginia, Custom House at Portsmouth, New Hampshire, and the Post Office at New Haven, Connecticut. We did some work at Portland, Maine, some at Madison, Wisconsin, some at Des Moines, Iowa. We put on a roof for Mr. Mullett, at Cairo, Illinois. He had all the material there except the copper, and was very anxious to get it roofed in to save the building—so was Mr. Logan; they directed us to do it and wait for the pay until an appropriation was made. We put on a roof at Mobile, Alabama.

"Q. With whom were these arrangements made of which you speak?—A. With Mr. Boutwell.

"Q. When?—A. Something under a year ago, I think.

"Q. And this work you have named has been done since that time?—A. Yes.

"Q. Under that contract or agreement?—A. Yes.

"Q. What do you understand by the net cost of the work done by you to these buildings?—A. The net cost of the material and labor.

"Q. Did the Government pay them (the workmen) from the time they left here?—A. Yes.

"Q. Who paid their expenses on the way?—A. They were paid by the Government. We charged their expenses to the Government, and the amount was refunded to us.

"Q. Was your own time charged in connection with the matter?—A. The Superintendent's time was charged.

"Q. Was this 15 per cent. charged not only upon the material used and the work of the men, but upon their railroad fare, traveling expenses, &c.—A. Yes."

THE ROYALTY FRAUD.

In regard to the royalty charge on the roofing, Shepherd testified as follows:

"Q. Is not 10 cents a square foot a large price for the use of so small, cheaply applied a method as this patent covers?—A. I think not, when you take into consideration the fact that we warrant the roofing for ten years.

"Q. The royalty then adds about 25 per cent. to the cost of the copper?—A. Well, I do not know——

"Q. What is the price of the sheet copper?—A. Thirty-one cents, I think.

"Q. Then, allowing 14 ounces of copper to the square foot, your charge of 10 cents a foot makes your royalty more than 33 per cent.?"

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The following is a copy of the proposition of Carr & Co., referred to above by Shepherd:

BOSS SHEPHERD'S PROPOSITION TO ROB THE GOVERNMENT.

"Office of WILLIAM S. CARR & Co.,
'110 Centre Street, New York.
"July 9th, 1869.

"*Dear Sir:* In reply to your favor of the 16th instant, we have to say that in view of the fact that a large proportion of the roofing and plumbing in your department is of the kind known as jobbing and repairing, it seems to us that the fairest proposition for both parties, is to name a certain per centage of profit, over and above the actual cost, and material and labor, which should include all charges for patent rights, royalties, etc.

As a proposition, we submit that we will undertake such work in the roofing and plumbing as you may give us, apply the Vaux patent principle to both branches, keep and submit an accurate, detailed, and sworn statement if required, of the net actual cost charged thereon, and the per centage of 25 per cent. which shall include all charges for royalties, patent rights, &c.; or, if you prefer, we will name a royalty of 10 cents per lineal foot on the patent casing tubes which may be used in your department, and charge a per centage of 10 per cent. on the actual cost of labor and material needed in repairs and work. We believe that either of the above propositions is fair to both parties. We shall do good work, and make a living profit, and we feel sure that the experience of all who have had to do with plumbing and plumbers is to allow fair prices and get good work.

Very respectfully yours,
WILLIAM S. CARR & CO.,
Per SHEPHERD.

A. B. MULLETT, Esq., *Supervising Architect.*"

IT IS ACCEPTED.

The endorsement on this is as follows: "Approved on a per centage of 15 per cent., and the royalty on pipe and roofing specified.

"WILLIAM A. RICHARDSON,
"September 4th, 1869. *Acting Secretary.*

"The proposed reduction of 15 per cent. is accepted.
"September 4th, 1869. WILLIAM S. CARR & CO."

THE VAUX PATENT SWINDLE.

In regard to Vaux's patents the committee say: "These patents had been procured by E. P. Vaux, whose claims had been at first rejected by the Patent Office, on the ground that they covered nothing novel, but afterward, with some advice and assistance from the supervising architect, the patents were obtained, and a half interest conveyed to him in compensation for such assistance, This half interest was conveyed to A. R. Shepherd, in April, 1869, for $6,000, and about three months afterwards a contract was entered into with the owner of the patent, including Shepherd, by which they were to do such work in roofing and plumbing as the Government might assign them, and apply these patents to such work, and to receive in addition to the net actual cost of labor and material, 15 per cent., and in addition 10 cents for each lineal foot of piping and for each square foot of roofing. The amount realized by the owners of these patents for the royalty in this contract, in less than one year, was $5,615.65.

REPEATED EXPOSURE DOES NO GOOD.

Mr. Farnsworth, Chairman of the Committee who made this report, in a speech made in the House of Representatives on May 21st, 1872, said, that in defiance of this report the contract with Shepherd was still maintained by Mullett, and asserted that he had papers which showed that Shepherd had been paid, since 1869, $130,000 for putting on public buildings this Vaux patent roofing, which no man under the sun ever used on any building of his own. He said "the accounts which I have here show that Shepherd has been carrying materials for that roofing from Washington, or wherever he may purchase them, to Philadelphia, to Portsmouth, New Hampshire; to Windsor, Vermont; Detroit, Michigan, Buffalo, New York; Chicago, Illinois; Des Moines, Iowa; Mobile, Alabama, and, in fact, all over

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the United States. Shepherd is employed without any advertisement, without any contract, except this approved contract to carry to different parts of the United States materials for this roofing, which no private citizen in the world was ever known to put upon a building. The material, and the workmen to put it upon our public buildings are taken from Washington, and car fare being paid at the expense of the Government to these remote places to put on this roofing, and Shepherd receives his royalty and percentage, in addition, to pay for the work."

Again, in 1873, Mr. Farnsworth said: "In the case of the building at Des Moines, Iowa, where a roof was put on two or three years ago, the railroad fare of the men amounted to as much as their wages. The Government of the United States paid the railroad fare of men from the City of Washington to Des Moines, to put a roof on that building, amounting to as much as their wages; then on top of that was charged against the United States, not only all the railroad fare, all the cost of material and labor, all the expense for board, &c., but also a royalty for the use of the patent, and then 15 per cent. on the whole bill, by way of profit. That is the way these men are doing this thing. That is the way your Government is being run; it is ruinous here, and ruinous everywhere."

This same contract with Shepherd was continued until 1875, when Secretary Bristow put an end to it.

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THE SANBORN FRAUDS.

BEN BUTLER'S DEPUTY-COMMISSIONER OF INTERNAL REVENUE.

On the 13th of February, 1874, the House passed a resolution, calling on the Secretary of the Treasury to transmit to the House "copies of all contracts made "under the authority of the Treasury Department, in pursuance of one of the provisions of the legislative, executive and judicial appropriation bill, approved May 8th, 1872; and, also, all copies of all schedules and correspondence and orders of the Department, relating to said contracts; and, also, the amount of money paid in under said contracts, and by whom and under which contract paid."

In accordance with this resolution the Committee of Ways and Means of the House reported on the 4th of May, 1874, from which we make the following quotations:

HOW THE SANBORN CONTRACT LAW WAS ENACTED.

The report of the Committee (Report No. 559, 43d Cong., 1st sess.) on page 1 states:

"The forty-second Congress, at its second session, repealed all laws which pro- "vided for the payment of moities to informers, so far as related to internal "revenue taxes; but *in the last hours of the same session*, and by means of a com- "mittee of conference, *there was engrafted on the legislative, executive and judicial* "*appropriation bill a provision of seemingly so slight significance as to have been added* "*as the last half of a sentence*, in one of the usual paragraphs relating to the Inter- "nal Revenue Bureau, wherein appropriations have been annually made by the "support of said Bureau. This provision is in the following words:

'and from and after the passage of this Act, the Secretary of the Treasury 'shall have power to employ *not more than three persons* to *assist* the proper 'officers of the Government in discovering any money belonging to the 'United States, whenever the same shall be withheld by any person or cor- 'poration, upon such terms and conditions as he shall deem best for the 'interests of the United States; but *no compensation shall be paid to such* '*persons* except out of the money and property so secured; and no person 'shall be employed under the provisions of this clause who shall not have 'fully set forth in a written statement, *under oath*, addressed to the Secre- 'tary of the Treasury, the character of the claim out of which he proposes 'to recover, or *assist* in recovering, moneys for the United States, the laws by 'the violation of which the same have been withheld, and the name of the 'person, firm or corporation having thus withheld such moneys; and if any 'person so employed shall receive or attempt to receive any money or other 'consideration from any person, firm or corporation alleged thus to have 'withheld money from the United States, *except in pursuance of the written*

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'*contract made in relation thereto with the Secretary of the Treasury, such per-*
'*son shall be deemed guilty of a misdemeanor; and upon conviction thereof,*
'*shall be fined not less than one thousand dollars, or imprisoned not less than*
'*two years, or both,* in the discretion of any Court of the United States having
'jurisdiction; and the person so employed shall be required to make report
'of his proceedings under such contract, at any time when required to do
'so by the Secretary of the Treasury.'

HOW THESE CONTRACTS WERE APPLIED FOR AND OBTAINED.

"Under the provisions of this law, contracts were made, the first of which bears "date the 8th of June, 1872, and was made with W. H. Kelsey, late a (Republi-"can) member of Congress from the State of New York, *who appears to have been* "*mainly instrumental in securing the passage of the law.* Kelsey made but little "progress after securing a contract; and on the 3d of August, 1872, requested "that his contract be revoked, and that Malcom Campbell, of Philadelphia, should "succeed him. Accordingly, on the 9th of August, 1872, said Campbell obtained "a contract, which was virtually a transfer of Kelsey's contract.

"Campbell, making but little progress, surrendered his contract on the 23d day "of November following, when J. Nicholson Elbert succeeded him, obtaining a "contract, two days later, on the 25th of the same month, Kelsey *retaining an in-*"*terest* through the several successions and changes.

"Under date of July 29, 1873, John Clark, of Philadelphia, made application "for, and, on the 1st of September following, obtained, a contract, out of which "some three thousand dollars have been collected. It appears that the collections "under the foregoing contracts, up to the date of this investigation (May, 1874), "amount in the aggregate to about $5,000. The two last contracts are still in "force.

"*John D. Sanborn,* a resident of Massachusetts, *who is represented as having been* "*personally acquainted with Secretaries Boutwell and Richardson,* on the 15th of Ju-"ly, 1872, applied for, and, on the 15th of August following, obtained a contract "which is signed by W. A. Richardson, Acting Secretary of the Treasury, for the "collection of taxes illegally withheld by thirty-nine distillers, rectifiers, and "purchasers of whisky. *At this time, Sanborn was in the employ of the General* "*Government, as special agent of the Treasury Department,* his service as such agent "commencing in the year 1869, and ending May 31, 1873.

"The committee find, by the testimony of Warwick Martin, of New York, "that Sanborn employed him under his authority, and while he himself was spe-"cial agent of the Treasury, to work up certain whisky cases, in the year 1871; "and for these services he gave Sanborn vouchers, which were passed to his "credit, and *paid by the Government,* to the extent of about $3,000.

* * * * * * * * *

"Following this, on the 25th of October, 1872, Sanborn made application to "have *added to his contract* the names of *seven hundred and sixty persons,* alleged "to have withheld taxes imposed on legacies, successions and incomes; and on "the 30th of October, five days later, *these names were added to his contract*; the "additional contract being also signed by W. A. Richardson, acting Secretary of "the Treasury. On the 19th of March, 1873, Sanborn applied for and had added, "on the same day, to his contract, the names of some *two thousand persons,* which, "he alleged, withheld their taxes, including 350 foreign residents. On the 1st "of July, 1873, Sanborn again asked to amend his contract and have added the "names of 592 railroad companies, which were added on the 7th of July, 1873."

The total number of cases included in the contracts of Sanborn and his partners is OVER FIVE THOUSAND. The names of the parties, companies, public bodies, foreign and home, occupy *over fifty printed pages* of the Report of the Committee on Ways and Means, involving transactions covering HUNDREDS OF MILLIONS OF DOLLARS.

COMPENSATION OF SANBORN & CO.

The following is a copy of contract made by the Secretary of the Treasury with John D. Sanborn, *et als.*

* * * * * * * * * * *

"An agreement made this 13th day of August, A. D. 1872, by and between "WILLIAM A. RICHARDSON, Acting Secretary of the Treasury, party of the first "part, and JOHN D. SANBORN, of the city of Boston, Massachusetts, party of the "second part.

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"The said party of the second part having been designated by the Secretary of "the Treasury as *one of three persons to assist the proper officers of the Government* "in discovering and collecting moneys belonging to the United States, withheld "by certain persons under *one of the provisions* of the legislative, executive and ju- "dicial appropriation bill, approved May 8, 1872; and the said party of the second "part having fully set forth, as therein required, in a written statement, *under* "*oath*, addressed to the Secretary of the Treasury and filed in his office, that he "proposes to *assist* in recovering for the United States from the persons follow- "ing, a large sum of money, to wit, *five hundred thousand dollars;* Now, there- "fore, it is agreed between the said parties under this contract, that whenever "any money shall be collected from said claims, either by legal proceedings or as "compromise of said claims, such money shall be paid by said persons to the "credit of the Secretary of the Treasury; and *out of any money so collected and* "*received, there shall be paid to said party of the second part, in full for his services,* "and for all the costs and expenses of such collection, A SUM EQUAL TO FIFTY "PER CENT. OF THE GROSS SUM SO RECEIVED; which said fifty per "cent. *shall be paid to the party of the second part as fast as the money is collected* and "paid to the credit of the Secretary of the Treasury."

[SEAL] (Signed) "WILLIAM A. RICHARDSON,"
Acting Secretary of the Treasury.

[SEAL] (Signed) "JOHN D. SANBORN."

"Witness to both signatures—E. C. BANFIELD, *Solicitor of the Treasury.*"

ALL THE CONTRACTS THE SAME.

On page fourth of their Report, the Ways and Means Committee add as follows:

"All the subsequent contracts were similar in provisions.

"The Committee call attention to the fact that *the law* provides for the employ- "ment of *three* persons to *assist* the proper officers in discovering and collecting, "while *the contracts* provide that *the contractors* may proceed to collect; thereby "*ignoring the internal revenue officers altogether;* while it should have been stipu- "lated, merely, that the *contractors should assist the officers.* Sanborn, under his "contract, was allowed *one half* the gross sum collected. * * *

"The Committee cannot ascertain that the Commissioner of Internal Revenue, or "*any officer of the Department was consulted before, at the time, or since the contracts* "*were made;* or that he was advised as to the making of the contracts; or of the "character of the claims it was intended thereby to be collected. No communi- "cation on the subject was passed from the office of the Secretary to that of the "Commissioner. No order in regard to it was ever issued through the Commis- "sioners' office; nor *were any collections*, or other actions of his subordinates, ever "reported to him until *after action was taken in the House*, calling upon the Sec- "retary for information with regard to these collections. In fact it is shown that "the Commissioner wrote a letter protesting against the manner of these collec- "tions, which has never been answered. Indeed, this important officer, to whom "belongs exclusively the collection of these taxes, appears to have been studi- "ously ignored by the Secretary of the Treasury, and the officers in the office of "the Secretary. And *without the knowledge of the Commissioner*, his subordinates "were directed to *assist these contractors;* and in no case can the Committee find "that the contractors *assisted* this officer.

"The whole power of the Internal Bureau, as well as the entire machinery of "the Government for the collection of taxes, was placed at the disposal of San- "born; as the following proofs conclusively show:

'TREASURY DEPARTMENT, February 3, 1873.

'SIR: You are requested to *assist* JOHN D. SANBORN, Esq., of Boston, in the 'examination of *official records* in reference to such cases of the alleged violation 'of the Internal Revenue Laws as he may ask for your *coöperation.*

'Mr. SANBORN is acting under an appointment from me, and may need some '*information* from the offices of collectors and assessors, for the purpose of veri- 'fying *his claims.* Very respectfully,

(Signed) 'GEORGE A. BOUTWELL,
'*Secretary of the Treasury.*'

'TO SUPERVISORS AND COLLECTORS OF INTERNAL REVENUE.'

"And, again, Secretary Richardson issued the following:

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'TREASURY DEPARTMENT, October 15, 1876.

'*To Supervisors and Collectors of Internal Revenue:*

'You are requested to *assist* JOHN D. SANBORN, of Boston, in the examination 'of *such cases* of alleged violation of the Internal Revenue Laws, as he may ask for 'your *coöperation.*

'Mr. SANBORN is acting under an appointment from the Treasury Department, 'and may need *some aid* and information from your district, for the purpose of 'verifying *his claims.*

'*Please render him such assistance as he requires.*

'Very respectfully,

(Signed) 'WM. A. RICHARDSON,

'*Secretary of the Treasury.*'

* * * * * * * *

NEGLECTED DUTY OF COLLECTORS.

"It is the opinion of the Committee that *a very large percentage, if not all, of th "four hundred and twenty-seven thousand dollars collected by Sanborn* were not a "proper subject of contract under the law; and *these taxes should and would have "been collected by the Internal Bureau, in the ordinary discharge of their duty.*

* * * * * * * * *

"By the testimony of Mr. Odell, Treasurer of the Delaware, Lackawanna, "and Western Railroad Co., and that of Supervisor Hawley, it very clearly "appears that the sums collected by Sanborn from that Company were well "known to the Internal Revenue officers, and were collected to the amount of "$100,000; which collection should have been made in the ordinary discharge of "their duties, *and without cost to the Government.*

* * * * * * * * *

"If this law is not repealed, and new contracts are to remain in force, the con- "tractor, armed with the power he now possesses, will *collect all the taxes due the " Government under repealed laws.* These taxes amount to SEVERAL MILLIONS OF "DOLLARS; and this misplaced power will take it all out of the hands of the "proper officers of Government, virtually displacing them by the creation of a "new bureau for the collection of this class of taxes, *with some such person as one "of these contractors at its head,* and at the cost of ONE-HALF OF THIS LARGE SUM.

* * * * * * * * *

"The Committee, feeling alarmed at the apparent looseness with which this "law was administered, had before them the Secretary, Assistant Secretary "Sawyer, and the Solicitor of the Treasury. The disagreements and contradic- "tions given repectively by these gentlemen, as appears from their testimony, is "a matter greatly deplored by the Committee, as by it they are unable to fix "upon any one, or any where, the responsibility for the maladministration of this "law; and *the Committee look with serious apprehension upon the apparent efforts of " these gentlemen to transfer the responsibility each from himself to the other. These "three officials deserve severe condemnation for the manner in which they have per- "mitted this law to be administered."*

* * * * * *

"The Committee are of opinion that any system of farming out any por- "tion of the revenues of the Government for collection is fundamentally wrong. "No necessity for such a law exists, for the reason that *the Secretary of the " Treasury, and the head of the Internal Revenue Bureau, are fully empowered,* by "law, to make all collections of taxes—including taxes due on account of repealed "laws."

AMOUNT PAID TO MR. SANBORN,

For contract collections	$427,000
Retained by Mr. Sanborn, from United States Treasury	218,500
Amount justly due collectors	9,000
Amount overpaid by the Treasury	417,000

[*Report of Ways and Means Committee, page* 3.]

"The Committee find that the information furnished by the paid officers of "the Government, on which collections were made, *was placed at the disposal of " Sanborn, who, availing himself of information paid for by the Government, obtained a "contract for the collection of the very claims thus brought to light, and found to be "due the Government.*

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"It further appears, from the testimony of Sanborn himself, that when he ap-
"plied for his great railroad contract, he furnished a list of railroads, *taken from*
"*a railroad manual, or guide, comprising the names of five hundred and ninety-two*
"*railroad companies;* being, substantially, THE ENTIRE LIST OF RAILROADS IN
"THE UNITED STATES; that while he had knowledge of the delinquency of only
"one hundred to one hundred and fifty of them, he had no knowledge whatever
"of the delinquency of the remaining *four hundred or four hundred and fifty.*

"When Sanborn so represented these facts to the officers of the Treasury De-
"partment, he was there told—'IT DON'T MAKE ANY DIFFERENCE;
"PUT THEM ALL IN.'

"Whereupon, Sanborn made affidavit that the entire FIVE HUNDRED AND
"NINETY-TWO railroad corporations were delinquent, and were *indebted to*
"*the Government.* This immense list was accordingly added to the Sanborn con-
"tract."

TRANSCRIPT OF THE RAILROAD CONTRACT.

"The following is a transcript of the proceedings, from the records of the
"Treasury Department, by which this remarkable railroad contract was attached
"to the original contract:

'BOSTON, July 1, 1872.

'SIR: I have the honor herewith to inclose a list of railroad corporations doing
'business in the United States *which are indebted to the Government* upon taxes
'upon dividends and interest paid upon bonds, which they have heretofore *with-*
'held and refused to pay.

'I would respectfully ask that the inclosed list be added to my said contract
'made with the Secretary of the Treasury, said contract bearing date August 13,
'1872, and as *amended* October 30, 1872.

'Very respectfully, your obedient servant,
(Signed) 'JOHN D. SANBORN.'

'Hon. WM. A. RICHARDSON,
'Secretary of the Treasury.'

'Subscribed and *sworn* before me, a legally appointed notary of the public for
'the city and county of New York, this third day of July, in the year eighteen
'hundred and seventy-three.'

[SEAL.] (Signed) 'WM. H. STINER,'
'Notary Public,' (239).

[*'Indorsements.'*]

'Respectfully referred to the Solicitor of the Treasury.'
(Signed) 'WM. A. RICHARDSON,'
'Secretary of the Treasury.'

JULY 7, 1873.

'I RECOMMEND *that the within list be added to and made* part of Mr. Sanborn's
'contract.'
(Signed) 'E. C. BANFIELD,'
'Solicitor of the Treasury.'

'Approved:'
'WM. A. RICHARDSON,'
'Secretary.'

"[DUPLICATE.]"

"TREASURY DEPARTMENT,
"WASHINGTON, D. C., *November* 29, 1872.

"SIR: I inclose herewith, for collection, draft No. 1296, drawn by Jay Cooke
"& Co., Washington, on Jay Cooke & Co., Philadelphia, for $7,865.86, in favor
"of the Secretary of the Treasury, and by him made payable to your order. You
"will please deposit this amount, when collected, to the credit of the special de-
"posit account of the Secretary, under *the first section* of the legislative, executive
"and judicial appropriation act, approved May 8, 1872, and issue certificate of
"deposit in favor of *John D. Sanborn*, sending the same to this office."

(Signed), "GEO. S. BOUTWELL,"
"Secretary."

"F. E. SPINNER, Esq.,
Treasurer United States."

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"TREASURY DEPARTMENT,
"WASHINGTON, D. C., *December* 3, 1872.

"SIR: I inclose herewith a draft for *three thousand nine hundred and thirty-two dollars and ninety-three cents*, on account of amount due you *under your contract with the Secretary*, in the cases of Thomas H. Devens and J. H. Gossler, Jr."

"Very respectfully,"

(Signed) "J. F. HARTLEY,"
"*Assistant Secretary.*"

JOHN D. SANBORN, ESQ.,
Care Adams Express Co., Boston, Mass.

TESTIMONY BEFORE THE COMMITTEE.

J. D. COUGHLIN, of New York County, testified on the ability of Revenue Department officers to collect for the Government, as follows:

"While I was assistant assessor on successions and legacy of the County of "New York, I, with one or two assistants that department gave me, col- "lected *from a hundred thousand dollars to half a million dollars a year*, as the re- "cords of the Internal Revenue Department will show. The salary of an assist- "ant assessor $1,500 a year.

"Q. Then the neglect to collect was a direliction of duty on the part of the "Internal Revenue officer? A. Yes; it was entirely a direliction of duty on the "part of the officer.

"Q. Then why should an extra compensation be given for collecting taxes, "which could be *very easily ascertained and collected?* You were aware of this, "and made application to the Secretary of the Treasury for a collecting contract, "did you not? A. Yes; I made such application soon after I went out of office, "as assistant assessor.

"Q. In connection with your proposition for a contract, you speak in your "letter to the Secretary of the Treasury of a contract entered into with John D. "Sanborn, of Massachusetts, at a commission of *twenty-five* per cent.? A. Yes; "that's the way I understood it at the time.

"Q. You remained in office about two months after you proposed to take a "contract? A. Yes, sir.

"Q. While you were still acting as officer of the Government why did you not "inform other officers of the Government that they might be able to make col- "tions at *twenty-five per cent.?* A. Because I knew *if the Government was going to "collect taxes at fifty per cent.*, I would be the best person to do it, because *I knew "how to get on with the business.*

"Q. Why did you not transfer to your superior officer all the information you "transferred to Mr. Sanborn? A. I could not.

"Q. Why could you not? A. Because I could not transfer to my successor all "my knowledge of law and experience I could transfer to Mr. Sanborn.

"Q. Did you give to Mr. Sanborn a knowledge of delinquents? A. HE HAD "THAT ALREADY.

"Q. So you had three years after the repeal of the law to work up all these "cases? A. Yes, sir.

"Q. And the records of the Surrogate's Court furnished you the *names of all "persons* who had died leaving estates, and of their *executors*? A. Yes, sir.

"Q. Why, then, did the Secretary refuse to give you a contract at *fifteen per "cent.?* I do not know.

"Q. DID HE EVER WRITE ANY ANSWER TO YOUR APPLICATION? A. No, sir.

"Q. Why did the Secretary make a contract with Sanborn at *fifty per cent., "after* you had made a proposal to collect these same taxes at *twenty-five per cent.?* "A. I really do not know.

"Q. You yourself really did this work alone in these succession-tax "matters? Yes, sir.

"Q. Sanborn did not work any, then, in person? A. No, sir. He merely "lodged the information previously furnished him.

"Q. And two lines would have furnished Mr. Sanborn all the information "necessary to be found? A. In that case it would.

"Q. Did Mr. Sanborn ask you what amount you expected to collect? A. He did.

"Q. What did you tell him? A. ONE HUNDRED THOUSAND DOLLARS.

"Q. Did Mr. Sanborn tell you he had a contract for getting *one-half of his "collections from the Government for collecting the taxes?* A. Yes, sir."

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Hon. JOHN W. DOUGLASS, *Commissioner of Internal Revenue*, testified as to the monopoly of the Sanborn contracts:

"Q. You have stated that the Internal Revenue is working much more satisfactorily now, without the use of informers and spies, and without giving moieties, than it did before. Would it have done so, if they had kept these three men out of the way? A. Yes; I do not see, why, under that $100,000 provision, I could not have given men *sufficient compensation* for information; and my officers would have been bound to perform the work; and I judge that they did all the work in these cases.

"Q. Have you looked over this list of railroads that is put in the Sanborn contract? A. I have looked over some of it.

"Q. Do you know whether or not it embraces all the leading railroads of the country? A. A few days ago, one of my collectors, who had been assessor in Baltimore for a number of years, told me had looked over it, and that all the railroads in Maryland were there—the Baltimore and Ohio, and others; and he knew that all of them had had close investigation by himself, and he thought *they did not owe a dollar to the Government.* This was a very intelligent officer—a conscientious man.

"Q. There are nearly *ten pages* of this book taken up with this list of railroads? A. I think this gentleman said to me that he thought he recognized in it *the entire list of the railroads of the country.*

"Q. You think it is substantially the schedule of the railroads of the country? A. Yes; I think so.

"Q. Would the Sanborn contracts shut the gate against all Internal Revenue officers from collecting any back taxes from any of these companies?

"A. If this is a perfect list, *I could not collect the back taxes from any railroad in the country.*

"Q. And *the whole collection from the railroads would be transferred to Sanborn and his two men?* A. That would be the effect, if I should submit to it.

"Q. And if the Secretary, in addition to that, *sends the agents of Sanborn into your office* to get information as to what has been paid by railroad companies, does he not *put the whole collection into the hands of Sanborn and his associates;* and does he not make your office subordinate to him and them, so that they may have the facts to work with for their benefit, to ascertain the amount of tax due? A. *Our officers have all the knowledge,* and *we have the force to do the work.*

"Q. You think, then, that the Internal Revenue office is really cut off from any action with regard to this large revenue, by reason of these orders affecting the Sanborn contract? A. Yes!"

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REPUBLICAN CIVIL SERVICE REFORM.

PROFESSIONS *versus* PRACTICE.

On the eve of the Presidential election in 1872, when the civil service of the Government had become so bad as to excite remonstrance on the part of many honorable gentlemen who belonged to the Republican party, and to cause the people to insist upon some reform, the President of the United States issued the following "Executive Order," which was industriously circulated throughout the country:

"*Executive Order.*—The Advisory Board of the Civil Service having completed the grouping contemplated by the rules already adopted, have recommended certain provisions for carrying the rules into effect.

"The recommendations, as herewith published, are approved, and the provisions will be enforced as rapidly as the proper arrangements can be made. * * * The utmost fidelity and diligence will be expected of all officers in every branch of the public service. Political assessments, as they are called, have been forbidden within the various departments; and while the right of all persons in official position to take part in politics is acknowledged, and the elective franchise is recognized as a high trust, to be discharged by all entitled to its exercise, whether in the employment of the Government or in private life, honesty and efficiency, not political activity, will determine the tenure of office.

"(By the President.) U. S. GRANT.

"HAMILTON FISH,
"*Secretary of State.*
"Washington, April 16, 1872."

GEN. BUTLER TELLS THE HOUSE WHAT THE PRESIDENT MEANS.

A more comprehensive and just appreciation of the purpose and intent of this "Executive Order" cannot be obtained than by reading the history of "Civil Service Reform," as given by an intimate friend and earnest supporter of its author.

Hon. B. F. Butler, of Massachusetts, was, at that time, a Member of Congress. The House, on the 18th day of April, 1872, just two days subsequent to the date of this order, having under consideration a bill "to preserve the independence of the several departments of the Government," Mr. Butler said:

"Sir, this 'civil service reform' I characterize as a political trick sprung on the eve of a presidential election by those ——"

"Mr. GARFIELD, of Ohio. By the chief candidate. [Referring to President Grant.]"

"Mr. BUTLER, of Massachusetts. No; I will tell you to whom, if you will not interrupt me, and I will tell you if you do. [Laughter.] I say again, it was sprung on the country as a political trick by opponents of the dominant party; and this is not the first time that such a thing has been attempted." * * * * Thus, then, Mr. Speaker, we have found civil service reform is always popular

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with the 'outs' and never with the 'ins,' *unless with those who have a strong expectation of soon going out.* [Laughter.]

"Now, then, sir, how came this present so-called civil service reform sprung upon us and sprung upon the people for the third time, just before the Presidential election? It was because a Senator, himself a candidate for the Presidency, put it on an appropriation bill in the Senate, when it passed without a word of debate, and we could not discuss it in the House because it came to us in the waning hours of the night, in the last night of the Session, and we could not defeat it without losing the appropriation bill to which it was attached, and therefore we passed it under duress and legislative compulsion. Having passed this law, the President did exactly what I think he ought to have done; he put it in force. He said, 'you made the law; I am sworn to execute the laws, and I will carry it out to the best of my abiljty.' He did again what I think he ought to have done; he took no responsibility himself as to the manner of execution, but he appointed the best Board of Commissioners he could readily find, of men who had nothing else to do, to make rules for its enforcement. That commission has been sitting upon those rules for some ten months, more or less, and they have produced a set of rules the practical workings of which I think no man of them understands, or which at least no Representative will get up in the House and say that in their length or breadth, in their scope and direction, he is in favor of. Who is the man to stand up and say he approves of those rules exactly as they are?"

"Mr. WILLARD. The President."

"Mr. BUTLER. The President of the United States has said no such thing. But I asked what man in the House would do this thing? I asked some one to get up here and speak for himself. One has got up and spoken for some one else. [Laughter.] The President, by his conduct, has said precisely as I would have said in his place. He in effect says to Congress, 'you have started this machine, and so far as I am concerned you will see it go into operation.' That is what he did, and he did right. But he says in his message, 'I reserve the privilege to myself of amending and altering these rules at pleasure.'

"Now, then, who are in favor of them? All this kind of trouble, I call to the attention of the House, has always originated in the Senate of the United States just before a Presidential election, where there are never more than seventy-four candidates for the Presidency among seventy-four Senators. [Laughter.] Now, sir, we are told everybody in the Senate is in favor of it; but when you find anybody in the House, on the Republican side, who is in favor of it, he has to give a certificate that he is not going to Cincinnati. [Laughter.]" (*Cong. Globe Appendix, 2d Session 42d Congress, page* 268.)

CIVIL SERVICE REFORM "SPRUNG UPON" US AGAIN WITH LIKE INTENT.

We are on the eve of another Presidential election, and "this present, so-called civil service reform," as Mr. Butler characterized it, is again "sprung" upon the country. And by whom? And for what purpose? Let us examine and ascertain!

The Republican party, in its platform adopted at Cincinnati, June 15, 1876, declared as follows:

"Fifth. Under the Constitution the President and heads of Departments are to make nominations for office, the Senate is to advise and consent to appointments, and the House of Representatives is to accuse and prosecute faithless officers. The best interests of the public service demand that this distinction be respected, that Senators and Representatives who may be judges and accusers should not dictate appointments to office. The invariable rule for appointments should have reference to the honesty, fidelity, and capacity of appointees, giving to the party in power those places where harmony and vigor of administration require its policy to be represented, but permitting all others to be filled by persons selected with the sole reference to efficiency of public service and the right of citizens to share in the honor of rendering faithful service to the country.

"Sixth. We rejoice in the quickened conscience of the people concerning political affairs, and will hold all public officers to a rigid responsibility, and engage that the prosecution and punishment of all who betray official trust shall be speedy, thorough, and unsparing."

Gov. Hayes, in his letter of acceptance, emphasized this declaration of principles, and expressed his convictions in regard to them, as follows:

"The fifth resolution adopted by the convention is of paramount interest. More

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than forty years ago a system of making appointments to office grow up, based upon the maxim 'to the victors belong the spoils.' The old rule, the true rule, that honesty, capacity, and fidelity constitute the only real qualifications for office, and that there is no other claim, gave place to the idea that party services were to be chiefly considered. All parties, in practice, have adopted this system. It has been essentially modified since its first introduction. It has not, however, been improved. At first the President, either directly or through the heads of departments, made all the appointments. But gradually the appointing power in many cases passed into the control of members of Congress. The offices in these cases have become not merely rewards for party services but rewards for services to party leaders. This system destroys the independence of the separate departments of the Government. 'It tends directly to extravagance and official incapacity.' It is a temptation to dishonesty. It hinders and impairs that careful supervision and strict accountability by which alone faithful and efficient public service can be secured. It obstructs the prompt removal and sure punishment of the unworthy. In every way

IT DEGRADES THE CIVIL SERVICE,

and the character of the Government. It is felt, I am confident, by a large majority of the members of Congress to be an intolerable burden and an unwarrantable hindrance to the proper discharge of their legitimate duties. It ought to be abolished. The reform should be thorough, radical, and complete; we should return to the principles and practice of the founders of the Government, supplying by legislation, when needed, that which was formerly established by custom; they neither expected nor desired from the public officer any partisan service; they meant that public officers should owe their whole service to the Government and to the people; they meant that the officer should be secure in his tenure as long as his personal character remained untarnished and the performance of his duties satisfactory. If elected, I shall conduct the administration of the Government upon these principles, and all constitutional powers vested in the Executive will be employed to establish this reform."

THE MEN WHO NOMINATED GOV. HAYES—WHAT THEY THINK.

The nomination of Gov. Hayes at Cincinnati was brought about by a combination of the friends of Senators Morton, Conkling and Cameron, in which they were supported by President Grant. The object of this combination was the defeat of Mr. Blaine, which was accomplished. These gentlemen, therefore, will, necessarily, exert more influence over Gov. Hayes in the event of his election to the office of President, than any other members of his party. They will be the power behind the throne, greater than the throne itself.

These distinguished gentlemen are the most conspicuous men of their party, excepting, perhaps, Gen. Butler. Their public services and undeviating party allegiance have given them this prominence, and their party influence is without limit. It is well known that a contest, earnest if not bitter, has been going on within the Republican party for several years upon the question of "Civil Service Reform," and, consequently, leaders so prominent as these have not failed to array themselves upon one side or the other of this controversy. One would naturally infer, from the bold declaration of the Cincinnati platform as above shown, that these gentlemen had always been the advocates of the principles therein enunciated. On the contrary, their records show a vigilant, earnest, and persistent opposition on their part to every movement made in the direction of "Civil Service Reform," whether it originated within their party, or without, as we shall proceed to show.

MR. MORTON SAYS THE "PRINCIPLE" OF GOV. HAYES'S LETTER "IS FALSE IN ITSELF."

Mr. Trumbull introduced into the Senate, during the Forty-first Congress, a bill, the purpose of which was to enforce the principles of the 5th resolution of the Cincinnati platform. While it was under discussion in the Senate, January 4, 1871. Mr. Morton said:

"Now, Mr. President, I come to the principle of the bill, and insist that it is false in itself. I undertake to say that the greatest security an Executive can have, who can know but a very small number of the American people, is the fact

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that he can rely upon Members of Congress, his political friends, for recommendation to office. How so? Take a member of the House. He is expected to recommend, if he is a political friend of the President, for the local offices in his district. The people understand, and if there is a bad appointment made, if there is a bad postmaster, if a horse-thief is appointed postmaster, they hold the Member of Congress directly responsible for it. They expect that in the natural course of things he has recommended that man. Therefore it becomes his interest at once to recommend good men for these offices; his re-election depends upon it.

"How is it with regard to the Senator? He is expected to recommend for general appointments in his State, for marshals, district attorneys and officers of other grades. The people understand that; and if he recommends a bad man they hold him responsible for it. It goes directly to the question of his popularity, directly to the question of his re-election; and the President has this security where appointments are recommended by Members of Congress."—[*Cong. Globe, vol.* 82, *p.* 294.]

MR. MORTON SAYS IT IS "CHEAP POPULARITY" HAYES IS AFTER.

But Mr. Morton did not rest his opposition to "Civil Service Reform" upon the principles of the bill then under consideration alone. He carried it very much farther, and sought to hold up to ridicule those who were endeavoring to inaugurate reform in the civil service of the Government.

He said: "Mr. President, a great deal of cheap popularity has been acquired in the last two or three years by an advocacy of what is called civil service reform. A great many persons are talking and writing about that, who, I think, scarcely understand what it means. At any rate, the abuses to be reformed have been greatly exaggerated. They are not so numerous, nor are they so flagrant as has been represented by the Senator from Illinois. A great deal is said in these times against politicians, and it has been shown how beautifully this Government would work if it was not for the politicians; that the Government could be run better without politicians than with them; and it seems to me to be somewhat fashionable to denounce members of Congress. I must question the taste of the Senator from Illinois in dealing in these general and extensive charges against members of Congress. They may be deserved in some cases, but not generally. The cases where they are deserved are the exceptions."

"The Senator seems to consider that we can enter upon an administration of the civil service which would require perfection in human nature, require men to be destitute of ambition, of jealousy, of all passions which ordinarily interfere with the proper administration of government.

"Sir, we shall never have such an administration. It is not possible. We must take human nature as it is. Plato's dream of a republic can never be realized. It was Utopian then; it will always be Utopian."—[*Cong. Globe, vol.* 82, *p.* 458.

After quoting from Mr. Trumbull's speech a statement that the bill under consideration would "make the head of every department responsible for the appointments which he makes, and no Secretary will then venture to have in his employ double the number of clerks required," Mr. Morton said:

"Here we have the broad statement made in the Senate of the United States that there are here in the Departments of this Government more than twice as many clerks as are needed to do the business. I regard that as a very injurious statement. It is one that will excite and alarm the country. It will lead the country to believe that everything is corrupt; that everything is rotten in the administration of this Government, in this Capitol. And now I ask the question, is it true? I submit that the Senator is mistaken; that it is not true. There is not, in my opinion, five per cent. of it true; the evidence cannot be found to establish its truth. Sir, it is a direct imputation of corruption and of weakness upon every Secretary, upon every head of bureau, upon everybody in this Government that has the appointing power, and it ought not to be sent forth to alarm and to excite the country, unless it can be substantiated. If the Senator can produce the evidence of this let the country have it, and let those men who are placed in charge of these Departments be held responsible, and be condemned by Congress and by the people."

"But, sir, it is a grave and serious charge that ought not to be made unless it can be substantiated, and I give my opinion here that not five per cent. of it is true, and perhaps not two per cent." * * * * *

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"A system that might be appropriate to Great Britain would not be appropriate here; our institutions are different. In England the tenure of office in the civil service is for life. They hold their offices during good behavior; that is to say, during life. Can we adopt the life tenure here?

MR. MORTON THINKS GOV. HAYES'S PRINCIPLE WILL FORM "A PRIVILEGED CLASS."

"Why, sir, ten thousand men in this city holding office for life would form a privileged class that would revolutionize the very foundation principle of this Government. We have but one life tenure under our Constitution, and if we had it to make over again we would not have that. I refer to the Supreme Court of the United States. An experience of seventy-five years has shown that the reason which induced the incorporation of the life tenure in the organization of that Court is not a good one—it has failed; and we would not now re-establish it. Certainly we would not apply the life tenure to seven or ten thousand men in the employment of the Government, and place them beyond the ordinary responsibilities that men in office are placed under. If a man has an office for life it takes a very serious cause to get him out. An ordinary delinquency, ordinary neglect, or abuse, or failure, is never sufficient to oust a man who holds an office for life. No, sir, we cannot afford to adopt the English system under any circumstances; it is anti-republican; it is contrary to the fundamental principles of this Government; and yet the Senator holds up to us the beauties of the English system!"

Mr. Morton, in the same speech, gave it as his belief that "the civil service of this Government was then carried on as well, and perhaps better, than at any former period of our history."

Mr. Morton further said: "But the Senator says that officers ought to be appointed without regard to politics. Whenever you can carry on this Government without regard to politics that doctrine will do. But this is a Government of the people and a Government of public opinion, in which the mass of the people take a deep interest, as they do not in England, and in countries on the Continent of Europe. Just so long as the character of this Government continues as it is, appointments will continue to be made with reference to politics; and no system can be devised that will prevent it. I do not care how many competitive examinations you institute, or whether you make the tenure for life or a tenure for ten years, you cannot change that thing unless you change the character of the Government. But what propriety is there in it? A man high in office, who has climbed up the political ladder may then turn round and slap the faces of his friends who helped him up, if they should want appointments, and call that virtue! Would it make it virtue?"—[*Cong. Globe, vol.* 82, *p.* 461.]

It is quite probable that Mr. Morton would be called, in the event of Mr. Hayes's election, to a seat in his Cabinet, but, with the views here expressed, it is not probable that "the quickened conscience of the people concerning political affairs" would have much influence upon Mr. Morton in permitting offices where "harmony and vigor of administration" did not require "its policy" to be represented, "to be filled by persons selected with sole reference to efficiency of public service and the right of citizens to share in the honor of rendering faithful service to the country." Mr. Morton would leave the appointing power, as at present, under "the control of members of Congress" and the offices in his department would continue to be "not merely rewards for party services, but rewards for services to party leaders." He would not attempt to acquire "cheap popularity by the advocacy of any such "civil service reform." He would "run" the Government with "politicians," and would not seek "perfection in human nature" in the administration of his "civil service."

MR. CONKLING THINKS COLLECTOR MURPHY A MODEL OFFICER.

Mr. Conkling has not been as consistent in his opposition to "civil service reform" as Mr. Morton, but perhaps more diligent in his efforts to exonerate his friends (particularly the late Collector of New York, Mr. Thomas Murphy) from any blame that might be supposed to attach to them, from the results of investigations of the civil service of the Government, made by the two Houses of Congress.

The civil service commission, in their report to the President, which was transmitted by him to Congress on the 18th day of December, 1871, say:

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"When public offices are regarded only as rewards for political service they will be constantly multiplied to supply more places. There will be incessant temporary employments, as they are called, and consequent deficiency bills and supplementary appropriation bills. Meanwhile the influence which has obtained the office, not for the public service, but as a private reward, *will be slow to see inefficiency or actual dishonesty in the conduct of the incumbent. The tendency will be to disbelieve and to excuse and to postpone inquiry*, so that, under this system, not only are useless offices created, but there is the strongest temptation to conceal corruption, and every abuse and every extravagance resulting from a multiplication of such offices are constantly increasing."

An apt illustration of what is here so forcibly stated by the civil service commission is found in the conduct of Mr. Conkling in the Senate of the United States. During the somewhat protracted debate upon his bill in the Senate, Mr. Trumbull, on the 23d day of January, 1871, brought to the attention of the Senate a report of a joint select committee of Congress, made to the House of Representatives on the 31st of January, 1867, in which the management of the New York Custom House was severely criticised. In doing so, Mr. Trumbull said :

"Does the Senator from Indiana hear what a committee appointed by the two Houses of Congress, and who investigated these subjects, say ? They say that 'the political influences which secured the original appointment have been able to present a removal.'

"'The public service has thus been used as an instrument of political or party patronage, and the officers composing it, have not been, except in rare instances, selected for their qualifications, have not been promoted for merit, and have had no certain or definite tenure of office, and are subjects to be dismissed at any time without notice and without fault.

"'The committee have therefore come to the conclusion that a great saving in the public expenditure can be effected by raising the character of all branches of the civil service. * * * * * * The committee are satisfied that, if a system substantially like that set forth in the bill reported should be adopted in this country, the same amount of service could be obtained at about two-thirds of the present expenditure.'"

SIMPLY TO DRAW PAY.

In the papers accompanying this Report it is stated :

"It is known that men have been appointed as Custom House Inspectors at compensation varying from one and a half to two and a half or three dollars a day, who were never required to perform a single day's service, and whose only attendance at the Custom House was for the purpose of receiving and receipting for their pay."

That is the report of your Committee.

"One of the obstacles in the way of bringing these Custom House employés to a proper sense of what is due from them to the Government has been *the idea that they were appointed to their positions in consequence, and perhaps in payment of services rendered to the party having possession of the Government, or of some friend to whose political influence they conceive themselves indebted for their positions, and who they imagine can alone displace them.* * * * * *

"Of the officers employed in the New York Custom House, it is believed a majority of them have no special qualifications for their places, and little knowledge of the law under which they discharge their duties, while the estimates presented to the commission of the annual losses experienced by the Government, through the frauds perpetrated in connection with this institution, range from twelve to twenty-five million dollars."—[*Cong. Globe, vol.* 82, *p.* 667.]

These accusations against the management of the New York Custom House, brought Mr. Conkling to his feet. He was "slow to see inefficiency or actual dishonesty in the conduct" of the then Collector and his employés, or that of the Collector and his subordinates in office, at the date of the investigations made by the joint select committee.

Mr. Conkling inquired of the Senator from Illinois when the report from which he read was made, and then said:

"If the Senator will allow me, I desire to say, had that report which he reads been made in reference to the condition of things at present, or recently, in the New York Custom House, I should be very much surprised at it. And further, although I have not read the statement to which the Senator refers in the papers

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yet with considerable knowledge of the facts to which these reports must relate, I undertake to say that they are without foundation, speaking very moderately of them."—[*Cong. Globe, vol.* 82, *p.* 667.]

Mr. Conkling, pending the discussion upon the discussion upon Mr. Trumbull's bill, referring particularly to the testimony taken by the Joint Select Committee on Retrenchment, which was subsequently submitted to the Senate by Mr. Patterson, further said:

"Mr. President, uninformed as I am of the testimony before the Committee, except so far as the Senator (Mr. Patterson) has taken the liberty of bringing it here, and uninformed, except by statements of observers at a distance, of the proceedings of the Committee, I hazard the assertion in advance that, with the Committee or without the Committee, in spite of the Committee, if it does not allow witnesses on both sides to appear before it, the truth will appear that the present collector has devoted himself, not only with assiduity, but with conscientious determination, to eradicating abuses of long growth, and that in the particular in which he is now challenged, he has given the best and the most successful administration of the office we have had for years.—[*Cong. Globe, vol.* 82, *p.* 591.]

The Committee on Retrenchment, which investigated the New York Custom House under the resolution of December 14, 1870, summed up in their report the result of their investigations of the general order system. They submitted with their report the testimony taken by them, and in order to understand properly what Mr. Conkling regarded as "the best and the most successful administration" of the New York Custom House in this particular, it is necessary to refer to the report and the testimony relative thereto.

THE COMMITTEE ON RETRENCHMENT TAKE ISSUE WITH MR. CONKLING.

The Committee said with respect to the general order system then in practice, as follows:

"The Committee have not had time to form and digest any plan to recommend as a permanent substitute for the present system of general order, which seems to involve all the risks, hazards and inconveniences of that which it supplanted, and is very generally condemned by importers at New York as burdensome and inimical to the interests of commerce."—[*Senate Report No.* 380, 41*st Congress*, 3*d Session*, *p.* 4.]

Among the witnesses called by the Committee during its investigations, was the Hon. Simeon B. Chittenden, a large importer of dry goods, prints, &c., in the city of New York, and at present a member of Congress from one of the districts of the State of New York, who testified as follows, in answer to the question "Does the present system (general order system) give any greater security to the Government than the old?"

"Not the least: The Government has no security any way. The whole administration of the Custom House, in my judgment, as you and all other thoughtful gentlemen ought to expect it to be, when it is run purely in the interests of politicians, is a hunting-ground for politicians who seek their personal ends. A collector enters the Custom House with the vague impression of making a fortune in a few months, and all his subordinates seem to think that they have the same chance before them. I have a very poor opinion of the administration of the Custom House here, and I believe it is utterly impossible to improve it except by a thorough change."—[*Senate Report No.* 380, 41*st Congress*, 3*d Session*, *p.* 42.]

MR. DODGE DENOMINATES IT A POLITICAL MACHINE.

Hon. WILLIAM E. DODGE, Jr., an importer of metals, and a gentlemen well-known throughout the whole country, testified before the Committee as follows:

"The Custom House is a political machine. The decent people who make up the Republican party see that it is run for the benefit of men who go into the Republican party simply to make money out of it, and they are so disgusted that they don't vote. At this last election we were desirous of getting the German vote, but there is not a German merchant but what has been so irritated about the "general order" that he is willing to crush the administration. The fact that the administration was represented here by such a venal, corrupt machine as the Custom House, has taken the heart out of all the German Republicans. I scarcely know an intelligent Republican who voted at the last election in New York. The whole conduct of things has been on that basis, and just as long as all offices under the Government are political gifts, just so long we will get worse

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and worse, and go to the dogs. In a conversation I had with Mr. Grinnell, the impression that I gained was, that the restoration of this general order system was a political necessity connected with the Custom House that must be taken care of."

In reply to the question, "Did the Custom House officials, or those with whom you conversed, give you the names of those parties in Washington whose necessities made it necessary to continue this general order system?" Mr. Dodge said:

"No, sir. The appointment of Mr. Murphy as Collector was considered extraordinary. I know nothing against him, except that he is a man without any experience, and utterly without any position here—probably the last man that would have been thought of by any merchant. Knowing that he knew nothing about it, and was kept there for political purposes, the merchants have kept away, and felt as if it would hurt their self-respect to meddle with it. I never understood why or how he was appointed, without it was for some political reason."—[*Ib. pp.* 38–9.]

MR. PATTERSON GIVES US A LOOK AT THE INSIDE WORKINGS OF THE POLITICAL MACHINE.

Mr. Patterson addressed the Senate upon Mr. Trumbull's bill on the 24th day of January, 1871. In his speech he referred to the investigation of the New York Custom House by the Committee on Retrenchment. He discussed the management of the Custom House at that time at considerable length, which was the occasion of Mr. Conkling's defense of his friend, Collector Murphy, as given above. We make the following extracts from this portion of his speech. They are well calculated to throw light upon the actual workings of this "political machine," and to give the people an inside view of this "hunting-ground for politicians." Mr. Patterson said: "Now, sir, how do the facts stand to-day in our Custom Houses and governmental departments? When I was at New York lately, talking some in respect to a subject which had been referred to the Committee on Retrenchment by a resolution of the Senate, some statements were made by parties under oath bearing upon this subject, which seemed to me to be of a good deal of importance. Among the number who appeared before the Committee was William E. Dodge, a gentleman well known to members of the Senate, and well known to the country; a man of high character, and whose opinions are worthy of great respect. His son, William E. Dodge, Jr., also came before the Committee and expressed in substance the same views which his father had expressed. I asked that gentleman if he would not put upon paper the views which he had expressed to the Committee. He did so; and I send to the Chair a letter which he handed me, to be read.

The Secretary read as follows:

"There are three classes of clerks in the New York Custom House on whom devolve its working:

First.—The fewest possible number of older clerks, kept as experts, from the sheer necessity of having some experienced hands to attempt the guidance of official routine. These poor fellows are kept in a constant state of terror; never able to make any plans for the future of themselves or their families; never knowing when their instant dismissal may come. They are obliged to consort and drink with political hacks placed in their bureau; contribute from their small incomes to election funds; with no hope of advancement; no stimulus to more faithful work; no provision in case of illness or old age. They fear to communicate their knowledge of details, knowing the moment it is learned by others they will lose their own place. They are obliged to invent more and more intricate means of conducting business in order to throw a mystery about their work and preserve their own importance. They are a sad, unhappy set with no pride or ambition.

"*Secondly.*—A small class, composed of incapable and shiftless persons, who have never succeeded in anything and never will; who have some family or personal hold on people of larger political influence. These are pushed into the customs as into a hospital or safe harbor. They do very little work, and are not expected to do anything but draw their pay with exact and beautiful regularity; to act as figure-heads at ward primary meetings, and in a feeble and helpless way, to cheer on the fortunes of the particular senator to whose skirts their friends happen to hang.

"*Thirdly.*—The large class, forming the great bulk of the clerks, filling to reple-

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tion all the old departments, and for whom new departments are made; the class in order to give positions to which political jugglers rack their ingenuity to make place, inventing all sorts of intricacies to turn simple business forms into problems which ordinary minds cannot understand, so that some who have done the party service can have a desk at which entries can be rechecked and examined again and again in hopeless confusion. These are the men who have been the sly workers in local caucuses, the noisy men in local elections; who have worked and drank for years; who have a "hold" upon some higher office-holder, or Congressman, or Senator, and must be provided for. For this reward of their faithful services they have looked for a long, weary time, and they must make the most of it. They cannot expect to stay long in their offices, and their duty to themselves and their families, as they see duty, compels them to make the most they can.

"The slightest fitness for the post or adaptness to the work is not thought of for a moment. They do as little work and get the most they can. And yet they are not happy. Each clerk represents a dozen equally deserving but disappointed political workers who have tried for the same place, and are constantly plotting to undermine him. In old times a man had a fair chance to hold through the administration, but now his tenure is only good until the "friends" of the "other Senator" get the upper hand. The chaos and confusion growing out of such working materials can easily be understood, especially when you add the fact that the collector is expected to use most of his time in political maneuvering; and the tariff under which they act now, with the various rulings under it, the most complicated ever known, and the system of drawbacks intricate beyond description.

NO WONDER THE THOUGHTFUL AND INTELLIGENT HAVE NO CONFIDENCE IN THE ADMINISTRATION.

"Can you wonder that the voters of the Republican party, who are for the most part among the thoughtful and intelligent people, lose their confidence in an Administration which, in a time of debt and depression, allows the most vital point of its financial machinery to be used for the gain and the squabbles of low politicians, who in any other sphere would not be trusted for a moment."

Mr. Patterson continued: "Mr. President, the question was asked, when this bill was up for discussion the other day, if the passage read by the Senator from Illinois represented the present or the past condition of the Custom House in the city of New York. I think this letter answers the question, in the judgment of Mr. Dodge.

"But, sir, that is not all. We took the testimony of some of the subordinates of the Custom House, and, among others, of inspectors whose duty it is to discharge the steamers which arrive from day to day at the port of New York, and we found it a practice of long standing with these inspectors to take from twelve to fifty dollars of bribe money on the discharge of every steamer that comes to the wharf, and then to take an oath at the time they draw their monthly pay that they have not received a dollar improperly."—[*Cong. Globe and Appendix, vol.* 84, *page* 56 *of Appendix.*]

So much for what Mr. Conkling regarded "the best and most successful administration of the New York Custom House we have had for years." It is reasonable to suppose that he would be satisfied with a similar administration under Mr. Hayes, should he be chosen President.

MR. SIMON CAMERON HAPPY.

Mr. Cameron marches up to the defense of the present civil service system squarely. He believes that "this Government of ours is as well conducted now as ever it was since its beginning, and better than any other Government in the world." He does not desire any "reform" in the civil service, because there is nothing in it which requires reformation. Pending the discussion in the Senate of Mr. Trumbull's bill to relieve members of Congress from importunity, and to preserve the independence of the different departments, Mr. Cameron said:

"It is customary to talk about the idleness of the clerks in the departments in this city, and of those holding offices in other places. Take them all together, I do not believe there is a more efficient, a more honest, a more useful, and a worse paid body of people than the clerks in these departments. I have said for long years that the only wrong that is done here they do to themselves in accepting these places, for which they are so poorly paid. Frequently after coming here

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they are unable to leave. Why, sir, within the last week I have had fifty men coming to me and saying to me that they would give up their places here if they had the means to get away. Many of them have served here for years, and have obtained but a scanty living.

"This cry for reform comes from the party in the minority. It is not new. The party out of office is always complaining of that which is in office. Sometimes our friends give way to that cry, and very often when they do so, they do it without reflection." * * * * * * "Besides, to my mind it is ridiculous to suppose that senators can be prevented from acting as citizens. How will you prevent it? By no law." * * * "I am for leaving this thing as it has been in the past, and let nature work out its own way. Some men will be prosperous and some will not, some will do wrong and some will not. But you can make no laws here which will regulate this thing upon Utopian doctrines."—[*Cong. Globe, vol.* 82, *page* 673.]

Mr. Cameron does not "rejoice in the quickened conscience of the people concerning political affairs;" he does not believe the present system of making appointments "tends directly to extravagance and official incapacity," and that "it should be abolished." He is "for leaving this thing as it is." He does not believe in the doctrine that "senators and representatives who may be judges and accusers, should not dictate appointments to office." To "his mind it is ridiculous to suppose that senators can be prevented from acting as citizens." Mr. Cameron, unlike the employés in the New York Custom House, is "happy."

THE EARLY EFFORTS IN BEHALF OF CIVIL SERVICE REFORM.

As the evil results of the present pernicious system of civil service have been observed, efforts have been made to obviate them, which, however, have certainly met with a persistent opposition from the most influential men of the Republican party, each by Gen. Butler and Senator Morton.

The most active and continuous of these efforts were made by the Hon. Thomas Jenckes, of Rhode Island. In a speech delivered in the House of Representatives on the 6th day of February, 1867, upon "a bill to regulate the civil service of the United States, and promote the efficiency thereof," Mr. Jenckes said:

"From what I have seen in my experience it is my profound conviction this measure ought to be adopted. With the other members of the Committee on Retrenchment, I have been through the different offices here, and have visited Custom Houses and other public offices elsewhere. We have examined their accounts, their regulations, their mode of doing business, and, in my judgment, a more vicious system does not exist in any civilized nation on the face of the earth. Every other civilized nation has reformed its system except ours; and while we have in the Military and Navy Department excelled, perhaps, other nations, so that we can point with pride to the *personnel* of our forces, both on sea and land, yet who speaks with pride of those who are working in these treadmills of the public service, thrust in by political preference or personal liking, and who hold on to their places just for the purpose of earning sufficient to get a livlihood, doing as little as they can? —[*Cong. Globe, vol.* 62, *p.* 1035.]

Again in the House of Representatives, on the 14th day of May, 1868, in the discussion of a bill of the same title, reported from the joint Committee on Retrenchment, Mr. Jenckes said with respect to the "great frauds and thefts upon the customs revenue":

"The report (of the joint Committee) will show some of the curiosities of the business. We do not seek to disguise the cause of the inefficiency (to use the mildest term) of these officers. They are all appointed upon political or personal grounds, and as their tenure of office is insecure, and they may be removed at any time, without pensions and without cause, they do the least they can to earn their salaries. To use a favorite phrase with them, they "make the most of their time." Indeed, if any one should prove faithful and vigilant, and not only see that persons dealing with the Government act fairly, but also report any delinquencies of their fellows, their tenure of office would be more insecure, and any repetition of such fidelity to the Government would be the occasion of their removal. One of the worst, if not the very worst, features in the present condition of the service is that good and faithful officers are unwilling to testify as to what they know of the "irregularities" (to use the fashionably mild term) of

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their associates. For there are many good and faithful servants who do the work of these unfaithful politicians. Men of character, of families, of long service, who have been unwilling to have their names go upon the record as witnesses to the faults of their associates, lest they should be immediately dismissed by their superiors, or lest their places should be made so uncomfortable by their "irregular" associates, that they would be compelled to resign. Nothing has impressed me more with the rottenness and corruption of our present want of system than the tears of these old and faithful servants, who begged that they might not be placed upon the record as witnessss to the faithlessness of their associates, and that it might not ever be known that they had been called to be witnesses. Nothing but assurance of secresy and the protection given by law to persons giving such testimony, could procure us evidence of how the people were being plundered instead of being served.—[*Cong. Globe,* vol. 67, *pp.* 2467-68.]

HON. J. D. COX RESISTS "ASSESSMENTS" FOR POLITICAL PURPOSES.

Subsequent to these efforts of Mr. Jenckes in favor of "civil service reform," the Hon J. D. Cox, of Ohio, sought to reduce to practice the principles which had been so earnestly advocated by Mr. Jenckes. On the 10th day of August, 1870, Mr. Cox, being at the time Secretary of the Interior in President Grant's cabinet, addressed the following letter to the Chairman of the Republican Executive Committee at Columbus, Ohio, in response to one from him asking for a full list of the names of the employés of the Government in his Department from Ohio, with the amount of salary, &c., of each, for the purpose of making an assessment upon them for State and Congressional campaign purposes :

LETTER OF SECRETARY COX TO THE OHIO COMMITTEE.

DEPARTMENT OF THE INTERIOR.
Washington, D. C., August 10th, 1870.

MY DEAR SIR: My delay in answering yours of the 3d instant has been owing to the press of my work here, which has prevented my getting time for writing with the fulness I desired.

There seemed to be no need of haste then, and before I was ready to reply, the subject had become one of such general discussion and agitation in the several departments, that I thought it wise to look a little more closely into the history of such assessments before acting.

Your Committee requests a full list of the names of employés of the Government in this department from Ohio, with the amount of salary and name of county, &c., from which each was appointed, "for the purpose of making a "small assessment upon them for State and Congressional campaign purposes."

After a careful consideration of the matter, with the strongest desire to second every right movement in behalf of the Republican organization in which we have so great a common interest, I am constrained to decline complying with your request, because I am convinced that it would not be right to do so, and therefore not for the advantage of the Republican party, which can only exist by continuing to be the champion of the right.

The considerations which led me to this conclusion may be summed up in two, namely:

1. That such assessments are directly antagonistic to the civil service reform, which I believe to be so imperative a necessity that the Republican party, as the proper party of true reforms, cannot longer delay to make it a part of their platform; and:

2. Because the specific assessments you now propose to make on behalf of the State Central Committee is an innovation in a bad direction.

On the latter point permit me to say, that after a somewhat careful examination of the subject, I cannot learn that any thing similar to an assessment for party purposes upon the clerks and employés of the department was ever made prior to the administration of Mr. Buchanan, and then only by a committee of the clerks themselves, waiting upon their fellows, in person, and requesting subscriptions for a Presidential contest.

THE CONGRESSIONAL COMMITTEE ASSESSES THE CLERKS.

This year, for the first time, the clerks have received a circular from the Congressional Committee, fixing the amount each is assessed (1 per cent. on their in-

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comes), and indicating the expectation of a response in an authoritative manner. From two or three of the States similar assessments have been received, in one instance 1½ per cent., thus making an income tax of 2½ per cent. besides expecting these gentlemen to travel to their several States, at their own expense, for the purpose of voting. I have not heard of district and county assessments yet, but know of no reason why they should not follow if the others are recognized.

The ground on which the assessment for Presidential campaigns has been defended (so far as defense has been supposed to be possible) was that the clerks were only aiding in the prolongation of the executive of their own party, on whom their own employment directly depended. But it has never before been assumed that the salaries of Government employés were a fraud on which the Committees of the party, National, State, district, &c., could draw at discretion. Indeed, the whole business has been one which respect for the moral sense of the community has hitherto kept from appearing in any definite or public form; and I look upon it as one of the most unhappy evidences of political demoralization, that from several sources simultaneously there should have come open and undisguised levies of an income tax, this year for the first time.

I am so well acquainted with the purity of your own motions, that I know you would not have countenanced the step if it had not seemed to you to be one of those things which had been prepared for by custom in similar matters in small local circles; but this only makes it more necessary that we should probe the evil with firmness.

AN APPEAL FOR REFORM.

This leads me to the general subject of the absolute necessity for a civil service reform, in which the Republican party ought to take an early and positive lead.

I think no candid man can have a responsible place in one of our administrative departments for a year without seeing that some permanence of term of office in the subordinates is essential to the proper and economical performance of the Government work. A time of rapid and frequent changes in the department is a time when fraudulent and improper claims can get through easily. Such claims are innumerable. They have been suspended for lack of proof, and a change among the officers who have had charge of them is always followed by a pressure for their allowance, which is frequently granted in entire ignorance of the grounds of suspicion of their honesty. The weight and extent of this can only be appreciated by experience.

Again, a time of rapid and frequent changes is a time when all the proper business of the department drags and becomes entangled, costing the country untold sums of money, paid for teaching new men the business which they hardly learn till they are displaced again.

The business of the Government is much greater and necessarily much more complicated than that of private commercial corporations, and every one knows that if the officers of banks and railways were changed and appointed on the grounds prevailing in the public business none of them could escape swift ruin.

Still again, the greater proportion of the time of Cabinet officers is constantly occupied by mere applications for petty places, and so long as personal application can secure such appointments this evil cannot be remedied. Instead of giving the best of our time and strength to the really important business of administration, as the people suppose we are doing, it is only the remnants of either that are available, and that after we have been dogged and harassed by a never ceasing stream of applicants and their friends, who are supposed to be influential. This is almost as true to-day as it was last year. There is no remedy but one which cuts up by the root the whole system of the dispensation of public patronage as a matter of favor, or of political claim, so called.

HAVE CONGRESSMEN THE RIGHT TO DICTATE APPOINTMENTS.

The dependence of appointees upon influence for their position has led to a tacit assumption that members of Congress have the right to dictate appointments and removals, and this is often done in utter ignorance of the qualifications possessed or required of the applicant. Nothing is more common than for a demand to be made for appointments to the higher grades, or for promotions to them, as if experience in the public work had nothing to do with the matter, and it were only a question of a greater or less share of the public patronage to the

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gentleman making the nomination. It has been no uncommon thing to find in the departments new and youthful appointees drawing the salaries and holding the grades of chiefs of important divisions, while old and experienced men were in fact doing the work in the pay of a lowest class clerk. The reason for it will often be found to be that it has been done on the importunate request of a prominent politician who had political debts to pay in his district or State. *As a result the number of incompetents generally in one of these departments would be astounding to any man of correct business habits and ideas.* I have, myself, had pressed upon me, as candidates for important places in my department, young men who could *neither write nor spell*, and who would be received into no well ordered commercial house in a higher grade than porter or errand boy. And serious offense has sometimes been taken that a simple request was not sufficient to put such an applicant into the place.

The evil does not stop with the departments. There are many offices in the National and State service in which the salaries are made up by fees, and the general ignorance of the people of the amount of the income is used to prevent a reduction of exorbitant profit, because party managers find it convenient to draw heavily on such officers for political purposes. It is as a part of this general system that it has become possible for a collector of customs, or a subordinate officer, to receive fees to the amount of many times the salary fixed by law for judges and other salaried officers of the highest responsibility.

A THOROUGH REFORM OF THE SYSTEM NEEDED.

The whole system needs a thorough reform, and it is because I believe it to be the duty of the Republican party to accomplish this work that I appeal to you and your committee to do nothing that can for a moment longer put our influence on the side of the present disgraceful condition of things.

The idea that public service is a profitable employment is a false one in the main; and if it were true, it would be necessary to reform the salaries by law. No man should be paid more than he earns, and such service ought to be demanded for his pay that he may have the honest consciousness of having rendered a *quid pro quo*, for every cent he gets, and feel under no obligation to any one therefor. It is only when we get incompetents who could earn nowhere so much as the Government pays them that you find men willing to be taxed as a condition of their retaining their place.

My own relations to the subordinates of this department are peculiar. I have been endeavoring to correct such of the evils as I could reach, and, by a system of competitive examinations, to test the capacity of applicants for place or promotion. I have assured them that favors would end with their going before the boards of examiners, and that from that time their own character and efficiency would determine their continuance in office, or promotion.

Under these circumstances the circular of the Congressional Committee levying one per cent. of their salaries with an intimation, as understood by those receiving the circular (though I am informed that the Committee disclaim such a purpose), that failure to pay would endanger their places, was the most demoralizing thing which could have been thrown into the department. The question was at once raised whether my position had been sincerely taken, and I would not remain in the department a day if my purposes could be reasonably impugned. The gentlemen of the departments have, as a rule, borne far greater pecuniary burdens in proportion to their salaries than other men are usually willing to do for party purposes, and none would respond to the full extent of their ability to exhortations addressed simply to their voluntary zeal; but the best officers and best Republicans are those who are most explicit in their opposition to the whole system of levied assessments.

HE SENDS THEM FIFTY.

As a mark of my own confidence in your purposes and sense of the value of your work, I enclose a check for fifty dollars as my personal contribution to your fund, and should be most happy if my duties and my strength would permit me to take my accustomed place in the canvass of the State this Fall.

Your platform needs but the addition I have spoken of above.

Very truly, your friend,

J. D. Cox.

Hon. R. D. HARRISON,
Chairman Republican Executive Committee, Columbus, Ohio.

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THE ORGANIZE FOR MR. COX'S SCALP.

The action thus taken by Mr. Cox created great excitement throughout the country. It aroused the most violent opposition of all the "active political managers" of the Republican party everywhere, and an organized effort was begun at once to secure the dismissal of Mr. Cox from the President's Cabinet. A graphic account of these events was given at the time by Gen. H. V. Boynton, the Washington correspondent of the *Cincinnati Gazette*, a Republican paper, in the following letter:

WASHINGTON, Sept. 28, 1870.

There is no longer any doubt that a strong movement to secure the removal of Secretary Cox is on foot. It is headed by Pennsylvania politicians. The reasons assigned by these men and their abettors are based upon the action of the Secretary in resisting assessments for campaign purposes. Back of all this lies the claim that Pennsylvania shall be represented in the Cabinet.

* * * * * * * * * * * * * *

Prominent politicians have interested themselves in the movement, and have undertaken a journey to Long Branch to urge their objections to Secretary Cox upon the President and urge his removal. None of them questions his ability or integrity, and agree that he devotes his whole time to his work. He believes in contributions for party purposes. The sole thing he opposes is a forced assessment, coupled with the threat "your money or your place." And in the decision of the question the President will be brought face to face with influential party men.

A HISTORY.

The history of this trouble concerning assessments becomes of interest, since it is to be used as a lever to pry the ablest members of the Cabinet out of position. Heretofore it has not been the practice of the Republican party to ask money of the clerks in the departments, except in the years of a Presidential election. What part of the Executive Committee decided to make an assessment now, or whether a majority of the Committee considered the question at all is not known. The whole matter, however, appears in the outset to have been managed by subordinates.

A clerk of the committee called upon Secretary Cox before the circular was issued, and requested a list of all clerks and employés in his department. A conversation took place in which the Secretary said, that while he had no objection to their requesting voluntary contributions, he was opposed to demanding the payment of such a sum as the committee might fix upon.

With the full understanding that the circular sent to those in his department was simply to request such subscriptions as the one to whom it was addressed should desire, or was able to pay, a complete list of all employed was sent to the committee. To the surprise of the Secretary, and in positive violation of the arrangement made, a circular, containing not only a demand for a fixed sum in each case, but also an implied threat if payment was not made. Secretary Cox at once addressed a note to the Committee protesting against this failure to keep faith, and also giving his reason for opposing a movement which struck directly at the attempts he was making to introduce a civil service reform so far as to make merit and efficiency the chief grounds of bestowing place in his department. The committee have not deemed it advisable to publish the letter. Several of the State associations (of clerks), finding themselves sustained by a Cabinet officer, began to object to the interference of the Congressional Committee, and announced that while they expected to contribute as requested, they desired to have the money used in their own States, to elect men whom they knew, or in whom they had confidence. And some contended that if they should go home to vote and pay their expenses, they ought not to be called upon for anything more.

The subordinates of the Committee at once entered into an arrogant controversy with the Associations, finally announcing with the air of owners that the full power of the Committee would be used against those who refused to pay, but if any one went home to vote, and would furnish satisfactory evidence that he had done so, the Committee would not proceed against him.

THE POLITICAL GUNS BROUGHT TO BEAR ON COX.

Two or three of the State Associations thereupon assumed the collections of funds from the departments and prepared to visit all clerks from the respective States. Among these was the Pennsylvania Association.

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When they reached the Interior Department, they went to Secretary Cox with a list of names of all employed from their State, and opposite those columns for the amount of salary received, the amount contributed, and lastly a space for "remarks." The whole paper in its arrangement was a political pistol designed to be placed at the head of every clerk. Secretary Cox informed the gentlemen who came thus armed, that while they were at liberty to ask for voluntary contributions, they could not take such a paper as that through the Interior Department. Thereupon the Pennsylvania Associations held an indignation meeting, and one of its popguns fired off the following:

WHEREAS, the Secretary of the Interior, Mr. J. D. Cox, refused to extend facilities in his Department to the Committee appointed by this Association to call upon the Pennsylvanians holding positions under the General Government in this city, for voluntary contributions for political purposes, therefore

Resolved, That it is with profound regret that we learn of the obstacles thrown in the way of advancing the interests of the Republican party by one placed in position and power by its success."

The assertion that they were only seeking voluntary contributions was erroneous. The vote upon the resolution stood forty-two to forty-two. This was some three weeks ago. Since then there has been from this quarter a constantly increasing fusilade of popguns directed at the Secretary; and now the line, thus armed, is actually demanding that Gen. Grant shall renew his martial days by assuming command and leading on to victory against Secretary Cox.

The country should know something about the managements of these State associations in Washington. Many of the best and most respectable clerks are connected with them; but, notwithstanding, most of them are controlled by an intriguing, ambitious set of men, whose sole object is to use the association to further their own interests. One of these organizations actually attempted to compel all clerks from one of the most powerful States to join it, on pain of having the influence of those managing used directly to procure dismissal. The officers of course must, by all sorts of weak activity in politics, and by such constant subserviency as generally secures recognition among the mere politicians of an administration, attain an apparent influence with those in place, and so are able to control the rest through fear. * * * * *

THE SMALL MANIPULATORS.

Exactly such a set of small manipulators of the more remote springs of political action originated the teapot tempest in the Pennsylvania Association. With the subordinates of the Congressional Committee ready to aid them, and both so constituted as to mistake their diminutive ideas for wisdom, they have finally attracted the attention of such professional politicians as Senators Chandler and Cameron, and, under their direction, all the party whips have been ordered out to force the clerks to pay the assessments, and compel the President to remove a cabinet officer in whom he has entire confidence. Other influences have been long at work to undermine Secretary Cox with the President, and as yet he has refused to be influenced by them. Several great railroad organizations have been very busy in creating opposition to him. The whole crew of would-be Indian defrauders, thwarted in every dishonest purpose, have also been active. The McGarrahan lobby, until lately at least, one of the most powerful around the Capitol, is bitterly hostile since the President has given countenance to none of them. These will all join now in the political campaign which has been opened, and lend to it such additional force as they can command; but the question turns upon the demand made that assessments shall be allowed, and their payment insisted upon.

The President will have to decide whether ability, efficiency, unsullied private character, great executive ability, and unflagging attention to the public business are of less consequence in a cabinet officer than a readiness to sacrifice any and every interest at the demand of party.

H. V. B.

THE ACTIVE POLITICAL MANAGERS WIN.

The contest thus begun between "civil service reform" in actual administration and its natural enemies, the professional politicians, resulted in the following letter of resignation from Mr. Cox:

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STATEN ISLAND, Oct. 3, 1870.

MY DEAR SIR: When Congress adjourned in the Summer I was credibly informed that a somewhat systematic effort would be made before their reassembling in the Winter to force a change in the policy we have pursued in the Interior Department.

The removal of the Indian service from the sphere of ordinary political patronage has been *peculiarly distasteful to many influential gentlemen in both Houses*, and in order to enable you to carry out your purposes successfully, I am satisfied that you ought not to be embarrassed by any other causes of imitation in the same department. My views of the necessity of reform in the civil service have brought me more or less into collision with the plans of *our active political managers*, and my sense of duty has obliged me to oppose some of their methods of action through the arrangement. I have no doubt whatever that public sentiment will sooner or later sustain these efforts at what I regard heeded reforms; but I ought not to overlook the fact, that for the present they involve opposition which it may not be for the interest of this administration to provoke; and as my personal tendency is to be rather more than less persistent in the course to which I am committed, I deem it my duty to place in your hands my resignation of the office of Secretary of the Interior, to take effect as soon as you can conveniently determine upon my successor.

The annual report of the Department will be made at an early day, and for this and other reasons, I believe the interval prior to the adjourned session of Congress the fittest for such a change. I trust you will permit me to add, that as the original acceptance of the position was an interference with plans of life formed, as I think, with prudence, to return to my private business, so far from being an inconvenience or disappointment, will only be carrying out what I have most desired to do, as soon as it could be done, without embarrassment to you, or sacrifice of public duty. Indications that you might be already troubled by suggestions on the subject, have induced me to write at once without awaiting my return to Washington.

With similar assurances of my strong desire for the complete success of your administration, I remain truly, your obedient servant,

J. D. COX.

To the PRESIDENT.

MR. COX RENEWS THE CONTEST.

The experience which Mr. Cox acquired as Secretary of the Interior made him familiar with the present system of civil service as it obtains at Washington City. In an article published in the *North American Review*, speaking of the mode of securing appointments from the President and heads of Departments, and alluding to the President, Mr. Cox says:

"His ante-room and halls are thronged by the applicants, the more fortunate or important of them pressing their Senator or Representative into the service to introduce them and stand sponsor for their merits and claims. The facility with which written recommendations are procured, leads to duplicity on the part of persons giving them; and it is no uncommon thing for one who has written a high eulogium upon the character and acquirements of a place-hunter to write a private note begging that his formal endorsement may not be regarded of any weight, or to seek a private interview in which he will state that the person is quite the reverse of the picture drawn of him in the testimonial filed. With the knowledge of this duplicity, and of the farcical hollowness of the whole business of giving recommendations and testimonials, the President and his Secretaries must receive the endless tide of applicants, listening to the praises spoken by an official friend with, perhaps, a note from the same official in the drawer of the table at which they sit contradicting every word of the high-flown panegyric so glibly poured into their ears, and with a feeling of wearied disgust at the necessity of receiving with equal serenity the hypocritical phrases and the furtive denial of them from the same lips. * * * * * * * * *

THE MEMBERS OF CONGRESS BESIEGED WITH PLACE HUNTERS.

"But this is by no means the whole of it. The members of Congress do not escape from similar burdens. Instead of studying the subjects of legislation, their tables are piled with letters from their constituents seeking their influence

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to obtain place, and ranging the whole gamut from obsequious petition to insolent and imperative demand. At the beck of some local politician, whose influence at home must be courted or feared, they leave their seats in the Senate or House and visit the White House, or one of the Departments, to introduce their importunate neighbor, and say everything in his behalf which the utmost straining of conscience will permit. They leave the breakfast table to find numbers waiting for them to invoke their assistance and presence in applications to be pressed before the opening of the day's session. They often apologize to the heads of the Departments for their own importunity, declaring, with perfect truth and sincerity, that they get rid of all the cases they can decently put off, and only bring those they cannot possibly get rid of. * * * * * * * *

"If, however, we add a purpose to make political capital or the means of personal advancement or profit by the use of the power of appointment, it becomes at once apparent that what was before only an annoyance and clog to the transaction of public affairs, becomes a positive corruption, with terrible depths of abuse."

AN INSIDE VIEW.

This article places before the country the precise condition of things in Washington City, and we make other extracts from it. It gives an inside view of the whole system of procuring appointments in the Departments, chiefly through Members of Congress. It says further:

"There have always been in Congress many men of elevated character and purposes, who have made a strictly conscientious use of their powers and influence. The country would long since have gone to ruin if this had not been so. But there has also been a large and growing class who have deliberately used their position and its influence solely to retain their seats and further their purposes of personal ambition.

"This class of persons has gradually come to regard as their personal appanage, an aliquot part of the public offices, equal to the proportion of one to the whole number of Congressmen, and have declared themselves robbed of their rights if it was not fully accorded to them. They have used their patronage systematically, and avowedly to retain their own places and strengthen themselves in their several districts and States. [It will be observed that Mr. Morton said these appointments enter into their re-election.] For this purpose it has been manifestly necessary to treat a rival or an opponent within their own party as if he belonged to the opposing organization. An authentic and recent instance of this will explain and illustrate the practical working of the custom better than much general statement.

"A gentleman who had held one of the highest positions in the government of his own State, and who had been recognized as one of the most powerful supporters of his party in the State, desired, for what seemed to him honorable and sufficient reasons, to secure a minor appointment abroad. He was personally well known to every member of the delegation of his State in Congress, and some of these were addressed with a request to favor his appointment. Their responses expressed the highest regard and appreciation of his public character and services, but signified that it was an understood rule that the assistance of other members of the delegation must depend upon the support of the member from his own district. The person applying, however, was not the 'friend' and personal supporter of the member from his district, and that member's approval and recommendation could not be obtained. The whole delegation consequently felt obliged to refuse their assistance.

"The gentleman thereupon addressed the head of one of the departments with a statement of the facts, and inquired whether one who had been a somewhat prominent supporter of the administration in his State, and had been elected to an important State office by his fellow-citizens, was to be held to be entirely at the mercy of his representative in Congress, so far as Federal favor was concerned. The result of this appeal was a promise from the proper quarter of an appointment of a local character at home, the position abroad having been meanwhile filled. This promise being made known, the representative at once made vigorous protest, putting it avowedly on the ground, that it would be his own political death to allow one who might be a rival to have a Federal appointment within the district. The protest was recognized as within the custom in such cases, and the promise was withdrawn." * * * * * *

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THE FELLOWS WHO KEEP UP THE PARTY.

"From top to bottom, the whole class of politicians who avow the purpose of keeping up 'the party' by the appeal to the selfish desires for place and profit, are bound together by the common interest of the 'ins' to keep themselves in and to keep all others out."

In regard to the clerkships in the departments at Washington, Mr. Cox, says:

"If a politician has, of right, a certain number of clerkships assigned him as his share, it requires a very little addition to the theory to give him complete control of the question of capacity and fitness. Such has been practically the result, and the departments have been made the asylum for the worthless and incompetent defendants of persons 'of influence' who have often received their pay without giving any return for it, because the head of the division or bureau could not interest them with the simplest clerical duty. This has often extended to cases in which the grossest and most offensive immoralities have been shielded and protected by that personage, so potential in Washington, 'the member from his district.' An instance may be taken from the experience of a chief of an important bureau, as given by himself. He had a division of clerks of general fair character, among whom were heads of families of high and even religious morality. Into this division, by the influence of a prominent member of Congress, was introduced a young man, who proved to be not only little use as a clerk, but so wantonly and offensively obscene in his common conversation as to outrage the feelings of every decent man, and to provoke from his fellow-clerks a general remonstrance against his being allowed to remain. The head of the bureau took the case up and recommended his dismissal on the double ground of general incompetency and gross immorality. A Congressman, with full knowledge of the facts, opposed and for some time succeeded in preventing the removal; and when at last, upon the earnest and energetic instance of the chief of bureau, the fellow was finally disposed of, it was only to remove him to another bureau, and the officer who had procured it to be done was abused and persecuted by the 'member' whose patronage had been interfered with. *A very slight familiarity with the departments is enough to convince any candid person that a minority of really competent officers are doing the work,* obstructed, trammeled, and burdened oftentimes with the necessity of performing over again the work of the incompetent, who are prompt in nothing but their appearance at the pay-table at the end of the month. * * * * *

"Under any reasonably efficient system, promotion ought to mean a recognition of merit and capacity. Yet instance after instance could be given in which heads of bureaus have declared that the greatest obstacle in the way of inspiring the clerical force with new energy was the fact that the higher places were filled by incompetents who had been appointed and retained only by superior influence."

THE CIVIL SERVICE REFORM ACT PASSED, BUT UNDER "DURESS AND LEGISLATIVE COMPULSION."

Notwithstanding the efforts of the "active political managers," led by Gen. Butler, Mr. Morton, Mr. Cameron, Mr. Chandler, and others less conspicuous, the friends of "civil service reform" succeeded in securing the passage of an Act of Congress which was approved March 3, 1871, entitled "an Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1872, and for other purposes," the ninth section of which provided that "the President of the United States be authorized to prescribe such rules and regulations for the admission of persons into the civil service of the United States as will best promote the efficiency thereof, and ascertain the fitness of each candidate in respect to age, health, character, knowledge and ability for the branch of service into which he seeks to enter; and for this purpose the President is authorized to employ suitable persons to conduct said inquiries, to prescribe the duties, and to establish regulations for the conduct of persons who may receive appointments in the civil service."

This section of the bill was passed, according to Gen. Butler, "under duress and legislative compulsion," but the President proceeded under it to convene a commission of eminent and well known gentlemen, of which the Hon. George William Curtis was the chairman, to devise rules and regulations for the purpose of reform in the civil service. These gentlemen, after performing the duties imposed

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upon them, reported to the President the result of their labors. Having been selected by the President for the reason that they were believed to be suitable persons to conduct the inquiries prescribed by the Act, and having had unusual facilities for their investigations, the judgment of this commission upon the present civil service of the Government carries with it the greatest weight. We herewith submit that judgment, as set forth in their report, for the consideration of the people of the United States. They say:

THE COMMISSIONS' OPINION OF THE PRESENT SYSTEM.

"In speaking of the present condition of the civil service, we criticise a system, not individuals, and a system which has been hitherto sustained by common consent. It is pleasant to express our conviction, not only that there are many men of the highest character and ability in the service of the Government, but that the large majority of the persons so employed cannot justly be suspected of improper conduct. Certainly, incapable officers have not been sought, and, doubtless, there are honest and pure men enough in all parts to fill the offices. But, certainly, also, proved character and tested capacity are not essential to admission to the civil service; and when partisan sympathy or activity take precedence of ability, industry and special fitness, as qualifications for the inferior offices of the Government, it is impossible that the service should have the efficiency and purity which economical administration requires, and which the country has a right to demand.

"In obedience to this system, the whole machinery of the Government is pulled to pieces every four years. Political caucuses, primary meetings, and conventions are controlled by the promise and the expectation of patronage. Political candidates for the lowest or the highest positions are directly or indirectly pledged. The pledge is the price of the nomination, and when the election is determined pledges must be redeemed. The business of the nation, the legislation of Congress, the duties of the departments, are all subordinated to the distribution of what is well called 'the spoils.' No one escapes. President, Secretaries, Senators, Representatives, are dogged, besought and denounced on the one hand to appoint, and on the other to retain, subordinates. The great officers of the Government are constrained to become mere office brokers. Meanwhile they have their own hopes, ambitions and designs. They may strive to make their patronage secure their private aims. The spectacle is as familiar as it is painful and humiliating. We accuse no individual. We appeal to universal and deplorable experience.

"THE EVIL RESULTS OF THE PRACTICE

may be seen, first, in its perversion of the nature of the election itself. In a free country, an election is intended to be, and of right should be, the choice of different policies of administration by the people at the polls. It is properly the judgment of the popular intelligence upon the case which has been submitted to it during the canvass by the ablest and most eloquent advocates. But the evil system under which the country suffers tends to change the election from a choice of policies into a contest for personal advantage. It is becoming a desperate conflict to obtain all the offices, with all their lawful salaries and all their unlawful chances. The consequences are unavoidable. The moral tone of the country is debased. The national character deteriorates. No country or government can safely tolerate such a surely increasing demoralization.

"The influence of this system upon those who hold office may be inferred. Officers appointed chiefly as a reward for personal and party service, and not upon proof of fitness, who know that there is no certain promotion for merit, and that they hold their places only until others with more influential friends can thrust them out, can have neither pride nor hope in the fulfillment of their duties. They are deprived of the usual incentives to diligence and efficiency of men in similar but private positions. Taught by the system to regard the office as a prize, and warned by the same system that their tenure is neither character nor fitness, they are sorely tempted to make the most of it in the shortest time, both to repay the trouble and expense in procuring it, and to provide against early removal. Meanwhile, as a part of

THE VAST SCHEME OF PATRONAGE,

an officer, who is appointed solely in deference to political pressure, is judged not by the manner in which he does his duty, but by the zeal with which he serves

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the influence that secured his place. He is poorly paid, but a tax is levied upon his salary for the expenses of the party, and although it is called a voluntary contribution, he is made to understand that there are scores of applicants who would gladly take his place with every incumbrance, and he therefore pays from fear of possible removal. Thus it has become the practice of every party in power to seek to retain power by levying upon the money paid to the public agents for the public service.

"There are honorable men who enter the service with the sincerest purpose of doing their duty. But the evil condition of the system forces them often to profess what they do not believe, and in a manner which is repugnant to them. They do not have that pride in the civil service of the country which so distinguishes the military and naval services. For how can a position so often procured without proved qualification, and so often lost without fault, appeal to the desire or the ambition of worthy men? There are modest and honest and able citizens enough who would gladly serve the country for a moderate and permanent salary, and who are the very servants the country needs; but they decline to enter upon a competition not of excellence, but of influence and competition, in which actual qualification does not determine the result. The conditions of the service are such that they cannot avoid the feeling that their minds are often regarded as mortgaged, their opinion as hired. Nor is this surprising, when it is remembered that a bill was introduced into Congress a year ago forbidding the minor officers in the civil service the usual political liberty of all American citizens, to serve as delegates in political Conventions, or as members of political Committees. It is the sharpest criticism upon the system, that it is held to unfit a citizen for the honest discharge of his political duties. And yet there is no one who is familiar with its practical operation who does not feel that there was reason in the proposition.

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ONE-FOURTH OF THE REVENUES LOST TO THE GOVERNMENT.

"It is not easy to compute in figures the exact economical difference between a good and a bad system of civil service. It is, necessarily, a matter of inference and comparison between the probable operation of a careless and careful method. But it is calculated, by those who have made a careful study of all the facts, that one-fourth of the revenues of the United States are annually lost in collection, and for a large part of that loss a system of the service which is fatally unsound may reasonably be held responsible."—[*Report of Civil Service Commission Senate Ex. Doc., No.* 10, 42*d Congress, 2d Session, pp.* 4 *and* 5.]

The late Vice-President Wilson gave his influence in favor of reform in the civil service. His purpose was to make reforms, and the measures which sought to effect such received his favor and support. While a Senator in Congress he advocated Mr. Trumbull's bill, and in a speech delivered in the Senate on the 23d day of January, 1871, he pointed out the evils of the present civil service, and the demand of public opinion for a reform. He said:

"There is a public feeling in the country founded on reason. Comprehending the best interests of the country, that demands reform in the civil service throughout." * * * *

"Sir, I would go further and require men who are in office to attend to their business. We have eight million voters in the United States. We have a great deal of intelligence and of character that is not either in Congress or in the service of the Government. The great masses of the people of the country, and those who are candidates, or who hold offices elective by the people, can manage the political conventions of the country without the assistance of clerks in departments, or without the assistance of inspectors or any class of officers in the Custom Houses, or Indian Agencies, or Land Offices. Every day we are told that it is important to change the officers in certain localities. Put a class of our friends into power, and they have hardly got into their places before another school comes and insists on their going out, in order that they, themselves, may win a Republican victory. I believe that about all of our troubles grow out of this idea that Government officials can make or unmake majorities. The wisest thing that Government appointees can do to aid their party is to fill their offices well, do their duty to their country, mind their own business, and leave political affairs to be taken care of by the people and by those who are candidates before the people for their suffrages. * * * * *

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"If we can relieve Senators and Representatives from all connection with and all responsibllity for, the appointment of men to office other than the responsibility that the Constitution imposes upon Senators to reject or approve, I believe we shall do something to purify the politics of our country, and their is no doubt much purification is needed."—[*Cong. Globe, vol.* 82, *p.* 670.]

These patriotic utterances of Mr. Wilson startled Mr. Cameron, the Senator from Pennsylvania. He gave expression to his surprise in the following language:

"Mr. President, I desire to say only a word or two on this bill. I did not intend to say anything on the subject, although I had made up my mind in regard to it, until the Senator from Massachusetts (Mr. Wilson) made his speech to-day. I was surprised to find him taking the side that he did, knowing him to be a sensible man—knowing the long service he has had in public life, coming from the people, as he does, I was surprised to see him take the course he has taken in regard to this bill."—[*Cong. Globe, vol.* 82, *p.* 673.]

The opposition within the Republican party to the "active political managers" to "civil service reform," were always upon the alert. They let no opportunity escape to destroy or cripple the service, which had for its object the purification of the politics of the country. When, therefore, an amendment was pending in the Senate to an appropriation bill, on the 7th day of March, 1872, appropriating fifty thousand dollars to enable the President to perfect and put in force such rules regulating the civil service as might, from time to time, be adopted by him, we find Mr. Carpenter offering the following substitute: "That all laws, or parts of laws, under which the present Civil Service Commission is appointed by the President of the United States, be and the same are hereby repealed."

Upon a motion to lay this substitute on the table, Messrs. Cameron, Carpenter, Chandler and Logan, with other Republicans, are recorded as voting in the negative.—[*Cong. Globe, Second Session, 42d Cougress, Part* 2, *p.* 1502.]

MR. GEORGE WILLIAM CURTIS SURRENDERS TO THE ACTIVE POLITICAL MANAGERS.

Mr. Curtis, not being willing to be held responsible for acts which he considered nothing more nor less than as disregard of public pledges and a mockery of the public faith, tendered his resignation on the 18th day of March, 1873, as a member of the "civil service commission." In his letter of resignation, Mr. Curtis says:

"As the circumstances under which several important appointments have been recently made seem to me to show an abandonment of both the spirit and letter of the civil service regulations, I respectively resign my position as a member of the Advisory Board of the Civil Service." Mr. Dorman B. Eaton, a distinguished citizen of New York, was appointed by the President to fill the vacancy occasioned by the resignation of Mr. Curtis. The commissioned continued its labors without much encouragement however, as the following extract from their report of April 15, 1874, abundantly shows:

"It is one thing to pretend before the people to be in favor of a real civil service reform—one good thing to vote for it; but it would be a far greater thing to support it in actual administration; to omit sneering at it, and disparaging it when seeking caucus endorsement; to stand for, and not desert it under specious excuses when its natural enemies rally against it; to obtain from besieging the Executive Chamber with recommendations and demands, when favorites want places."—[*Report of Civil Service Commission, Senate, Ex. Do. No.* 53, *43d Congress, 1st Session page* 30.]

PRESIDENT GRANT AND CIVIL SERVICE REFORM.

The history of the noisy, but feeble efforts of the present Administration to carry into practice reform in the civil service is perhaps more faithfully written in the several messages of the President than anywhere else. It will be remembered that Gen. Butler stated in his speech in the House of Representatives on the 18th day of April, 1872, that the President had not said he approved the "rules" adopted by the Civil Service Commission; that the President had in effect said to Congress, "you have started this machine, and so far as I am concerned you will see it go into operation." The President, Gen. Butler said, "took no responsibility himself as to the manner of execution of the law, but he appointed the

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best Board of Commissioners he could readily find, of men who had nothing else to do, to make rules for its enforcement."

What Gen. Grant has said upon the subject of reform in his messages, we print below. If read in the light of Gen. Butler's speech, and the current history of civil service during his administration, it will be observed that Gen. Butler had a better understanding of the spirit and purpose of the Executive than Mr. Willard or any of the active advocates of civil service reform. He seemingly manifested a great desire to correct the abuses of the present system, at the same time he constantly called upon the men who "started the machine" to supply the necessary legislation to keep it in operation.

In his Message of December 4, 1871, the President says upon this subject:

"If bad men have secured places, it has been the fault of the system established by law and custom for making appointments, or the fault of those who recommend for Government positions persons not sufficiently well-known to them personally, or who give letters indorsing the character of office-seekers without a proper sense of the grave responsibility which such a course devolves upon them.

"A civil service reform which can correct this abuse is much desired. In mercantile pursuits the business man who gives a letter of recommendation to a friend to enable him to obtain credit from a stranger is regarded as morally responsible for the integrity of his friend and his ability to meet his obligations.

"A reformatory law which would enforce this principle against all indorsers of persons for public place would insure great caution in making appointments."

Again, in his Message of Dec. 2, 1872, he refers to the subject in the following language:

"An earnest desire has been felt to correct abuses which have grown up in the civil service of the country through the defective method of making appointments to office. Heretofore, Federal offices have been regarded too much as the reward of political services. Under authority of Congress, rules have been established to regulate the terms of office and the mode of appointments. It cannot be expected that any system of rules can be entirely effective and prove a perfect remedy for existing evils until they have been thoroughly tested by actual practice and amended according to the requirements of the service.

HE WANTS HIS SUCCESSOR LOOKED AFTER.

"During my term of office it shall be my earnest endeavor to so apply the rules as to secure the greatest possible reform in the civil service of the Government, but it will require the direct action of Congress to render the enforcement of the system binding upon my successors, and I hope that the experience of the past year, together with appropriate legislation by Congress, may reach a satisfactory solution of this question, and secure to the public service, for all time, a practical method of obtaining faithful and efficient officers and employés."

Congress did not respond to the President's recommendations during that session, and he again calls their attention to the subject in his Message of December 1, 1873, in the following pertinent manner:

"Action has been taken so far as to authorize the appointment of a Board to devise rules governing methods of making appointments and promotions, but there never has been any action making these rules, or any rules, binding, or even entitled to observance, where persons desire the appointment of a friend or the removal of an official, who may be disagreeable to them.

"To have any rules effective they must have the acquiescence of Congress, as well as the Executive. I commend, therefore the subject to your attention, and suggest that a Special Committee of Congress, might confer with the Civil Service board, during the present session, for the purpose of devising such rules as can be maintained, and which will secure the services of honest and capable officials, and which will also protect them in a degree of independence while in office.

"Proper rules will protect Congress, as well as the Executive, from much needless persecution, and will prove of great value to the public at large."

THE PRESIDENT SURRENDERS CONTROL OF THE "MACHINE."

Congress took no heed of the suggestion of the President in any practical manner, and notwithstanding his pertinacity he began to grow weary of "running the machine," even though the responsibility of the manner of doing so was borne by a board of respectable gentlemen, "who had nothing else to do." The

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President, therefore, in his Message of Dec. 7, 1874, brought the subject to the attention of Congress again in the following significant language :

HOW REPUBLICAN CIVIL SERVICE REFORM DIED.

"The rules adopted to improve the civil service of the Government have been adhered to as closely as has been practicable with the opposition with which they meet. The effect, I believe, has been beneficial on the whole, and has tended to the elevation of the service. But it is impossible to maintain them without direct and positive support of Congress. Generally the support which this reform receives is from those who give it their support only to find fault when the rules are apparently departed from. Removals from office without preferring charges against parties removed are frequently cited as departures from the rules adopted, and the retention of those against whom charges are made by irresponsible persons, and without good grounds, is also often condemned as a violation of them. Under these circumstances, therefore, I announce that if Congress adjourns without positive legislation on the subject of "civil service reform," I will regard such action as a disapproval of the system, and will abandon it, except so far as to require examinations for certain appointees to determine their fitness. Competitive examinations will be abandoned.

"The gentlemen who have given their services, without compensation, as members of the board to devise rules and regulations for the government of the civil service of the country, have shown much zeal and earnestness in their work, and to them, as well as to myself, it will be a source of mortification if it is to be thrown away. But I repeat that it is impossible to carry this system to a successful issue without general approval and assistance and positive law to support it."

THE PEOPLE TAKE CHARGE OF REFORM.

The deceitful efforts of the Republican party in behalf of "reform" having so signally failed to accomplish any beneficial results, the people took the matter in their own hands, and at the election in 1874 drove the false pretenders from power in the House of Representatives. The "active political managers" of the Republican party, conscious that it was necessary to again assume the character of "reformers," in order to restore the confidence they had forfeited, announced at Cincinnati that they "rejoiced in the quickened conscience of the people concerning political affairs;" that "the invariable rule for appointments should have reference to the honesty, fidelity and capacity of the appointees," and that that party "will hold all public officers to a rigid responsibility, and engage that the prosecution and punishment of all who betray official trust shall be speedy, thorough and unsparing."

Was there ever such presumptuous impudence, coming from Messrs. Morton, Conkling, Cameron, Chandler and Butler, as these declarations do?

Now, what is the history of reform in the civil service in the Republican party, and of the leaders who sought to reduce to practice the professions of the party in favor thereof, during the time Gen. Grant has been President?

Mr. Curtis, who, by reason of his position as Chairman of the Civil Service Commission, became the leading spirit of reform, an active and ardent Republican, resigned that position, because "the circumstances under which several important appointments had been made seemed to him to show an abandonment of both the spirit and letter of the civil service regulations," and because he "was unwilling to be held responsible for acts which he considered nothing more nor less than a disregard of public pledges, and a mockery of the public faith."

THE FITS OF REPUBLICAN REFORMERS.

The only two Cabinet Ministers, Gov. Cox and General Bristow, who were at all conspicuous in their efforts to reform the system of Civil Service in their departments, have been forced out of the Cabinet, and are to-day without influence with the "active managers" of the party. And a striking fact connected with the history of the matter is that it was stated in the letter of Gen. Boynton giving an account at the time of the efforts of "the small manipulators" to effect the dismissal of Gov. Cox from the Cabinet "had attracted the attention of Senators Chandler and Cameron, and under their directions all the party whips were ordered out to force the clerks to pay the assessments, and compel the President to remove a Cabinet officer in whom he had entire confidence;" to-day Mr. Chan-

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dler holds the position in the Cabinet then filled by Gov. Cox and is also Chairman of the National Republican Executive Committee, and a son of Senator Cameron holds, if not the place in the Cabinet held by Gen. Bristow, another equally important. In addition, every subordinate, including Bluford Wilson, the fearless Solicitor of the Treasury, appointed to office by either of these gentlemen or upon the recommendation of either, who were actively in favor of "reform," are being dismissed from the Departments.

A few public officers who betrayed their official trusts were prosecuted and punished during Gen. Bristow's term of office, but the "ring" finally triumphed over justice, through the stronger influences in official circles, and as a result Gen. Babcock walks the streets of Washington City to-day, acquitted of a crime by the verdict of a jury secured through corruption, while the popular sentiment of the country holds him guilty in the highest degree, and Gen. Raum, who congratulated him by telegraph upon his acquittal, holds the responsible position of Commissioner of Internal Revenue, made vacant for him by the enforced resignation of ex-Senator Pratt, a gentleman conspicious for his integrity; the faithful and efficient special counsel for the Government in the prosecutions against the "whisky ring" in Chicago have been removed, and Mr. Emory Storrs, Gen. Babcock's counsel at St. Louis, has been appointed in their stead.

Gen. Henderson, who had been so successful as the special counsel of the Government in the prosecutions against the "whisky ring" in St. Louis, was removed upon a false pretext, lest he might succeed in convicting Gen. Babcock too, and Col. Dyer, the United States District Attorney, who so ably seconded Gen. Henderson in his efforts, has been removed because he was thought to be overzealous in his efforts to see that "no guilty man escaped."

HISTORY REPEATS ITSELF.

When the country was about entering upon the Presidential campaign in 1872, Mr. Conkling made a speech in the United States Senate upon a joint resolution proposing an amendment to the Constitution of the United States confining the President to one term [*See Cong. Globe*, part 1, *Second Session*, 42d *Congress*, p. 357], in which he said, referring to those who were endeavoring to inaugurate reforms in the civil service:

"The chief ammunition of the Democratic party of late has been furnished by mongers of wretched slang about Federal office-holders controlling political results, as if the people had not the sense and courage, and numbers to resent and put down the domination or improper interference of anybody, whether office-holder or candidate. And "this species of falsehood had serious effect," he said, "till it became, in some instances, so brazen and preposterous as to excite derision."

Mr. Conkling sees proper, himself, now to the assume the character of a "monger of wretched slang about Federal office-holders controlling political results." He and his associates hope, no doubt, that the same "species of falsehood" may again have like "serious effect" upon the public mind. But in him and them the effort is too "brazen and preposterous, and will only excite derision."

Mr. Conkling further said in his speech:

"Could the public pierce all the holy garbs put on by the foes of the President, who do not and dare not let the real cause of their hate be seen, a new truth would gild Dr. Johnson's saying, that "patriotism is the last refuge of a scoundrel."

Changing this sentence somewhat, it may be applied to Mr. Conkling and his associates now with great truth and pertinency: "Could the public eye pierce all the holy garbs put on by the foes of 'civil service reform,' who do not and dare not now let their real sentiments be known, a new truth would gild Dr. Johnson's saying, that 'patriotism is the last refuge of a scoundrel.'"

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THE VENEZUELA SCANDAL.

THE ONLY INSTANCE WHEN DON HAMILTON FISH WAS VERY PLUCKY.

A treaty between the United States and the Republic of Venezuela was entered into on April 25, 1866, by the terms of which all claims of American citizens against the latter nation, were to be submitted for adjudication to a mixed commission consisting of two persons, one to be appointed by the Government of the United States, and the other by Venezuela. These two Commissioners were authorized to appoint an umpire, and in case of their disagreement, the selection was to be made by the diplomatic representative either of Switzerland or of Russia, in Washington. The treaty further provided, that as soon as the umpire was appointed, the Commissioners should proceed without delay to examine the claims that might be presented to them, and should hear one person in behalf of each Government on each separate claim. The last and fifth article of the treaty provided that "the decisions of the Mixed Commission and those of the umpire shall be final and conclusive as to all pending claims at the date of the installation. Claims which shall not be presented within the twelve months herein prescribed, will be disregarded by both Governments."

APPOINTMENT OF THE COMMISSION.

Agreeably to the stipulations of the treaty, our Government selected one David M. Talmage, of New York, as Commissioner on the part of the United States, and Venezuela appointed General Antonio Guzman-Blanco, then Commander-in-chief of the army of that Republic, and now its President. Mr. Talmage received his appointment as Commissioner on July 20th, 1867, and three days later sailed for Caracas, the capital of Venezuela, and the place designated for holding the sessions of the Mixed Commission.

CHARACTER OF THE AMERICAN COMMISSIONER.

It is somewhat remarkable that the American Commissioner, whose duty it was to pass upon international claims, involving large sums of money and delicate questions of international law, as well as intricate questions relating to the construction of contracts, statutes and treaties, should have been a person of no legal attainments whatsoever, and selected without reference to the duties devolving upon him. At the time of his selection he was a coal-broker in the city of New York, but had previously been engaged in the construction of gas works in the city of Caracas. Several law suits growing out of the latter enterprise were pending against him in Caracas, and he was about to return thither on his private business, when he was chosen Commissioner.

MEETING OF THE COMMISSIONERS.

General Blanco, the Venezuelan Commissioner, and Mr. Talmage, the American Commissioner, met on August 30, 1867. Their first duty, by the provisions of

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the treaty, was to select an umpire. Talmage nominated Mr. Rolandus, counsel of the Netherlands, at Caracas, but General Blanco objected, without alleging any other reason than that Mr. Rolandus was not the person his government desired to appoint as umpire of the Mixed Commission, and suggested the Minister Resident at Caracas either of England, France, Spain or Brazil. Talmage was not satisfied with what to him was a capricious refusal, and insisted with strange earnestness upon chosing Mr. Rolandus. Mr. Talmage became so insolent, that General Blanco, suspecting his true character, declined to hold further intercourse with him. Talmage protested against General Blanco's action and immediately visited the President of Venezuela, General Falcon, whose good offices he implored in bringing about a better understanding, and a solution of the difficulty. President Falcon replied that his Government could not recede from the proposition made through its Commissioner, to appoint either the Minister Resident of England, France, Spain, or Brazil, as umpire of the commissioners. A month's correspondence between Talmage and the Venezuelan Minister of Foreign Affairs followed, which finally terminated in the substitution of Señor Francisco Condé as Venezuelan Commissioner, in the place of General Blanco. Another delay ensued in discussing the question of umpire, neither Commissioner receding from the position first assumed. After the lapse of several months, having failed to agree, the high contracting parties requested Baron Stoeckl, the Russian Minister at Washington to appoint the umpire. Talmage returned to the United States in order to secure the selection of such an umpire as would promote the schemes he had in view. The Russian Minister must have been grossly deceived in the character of the person he selected as umpire. His action is unaccountable upon any other hypothesis. Mr. Juan. N. Machado, Jr., the person named by Baron Stoeckl, was a young man, a native of Venezuela, almost unknown, of no standing whatever, and wholly unfit to discharge the responsible duties of the position of umpire of an international tribunal. But the secret of his appointment was subsequently exposed. He had been in Talmage's employment while the latter was engaged in business in Caracas, and, it was through Talmage's instrumentality and instigations that the Russian Minister appointed him. Having secured the selection of young Machado as umpire, Talmage sailed for Venezuela where shortly after his arrival the Commission began its sessions about April 18, 1868, and proceeded to pass upon the claims submitted for adjudication.

THE AMERICAN MINISTER AND HIS SECRETARY IMPLICATED.

Thomas N. Stilwell, of Indiana, was the United States Minister to Venezuela during the sittings of the Mixed Commission, and his brother-in-law William P. Murray, who officiated as Secretary of Legation, was the attorney for a number of claimants. His fees for professional services in these cases were modestly fixed at one-half of the sums to be awarded by the Commission. This amount of percentage will be regarded as especially exorbitant, when it is considered that *no attorney was permitted to appear before the Commission in any case;* that all claims to be presented to the commission were filed, together with the proofs in the American Legation; and that all the professional services that would be required of an attorney in Caracas were the transmission of papers from the American Legation to the Commission, which sat in the same city in the same building. The total sum awarded to the claimants represented by Mr. Murray, as appears from his statement before the Committee on Foreign Affairs of the Forty-first Congress, was $851,000, being almost two-thirds of the aggregate amount of all claims allowed by the Commission and the umpire. The other claimants not represented by Mr. Murray, the American Secretary of Legation, *were represented by Mr. Talmage, the American Commissioner himself.*

It is charged by the Government of Venezuela that Mr. Murray openly boasted that he had a monopoly of influence in the presentation of claims and their allowance by the Commission; and while the statement is indignantly denied by Mr. Murray, yet the record shows that no claims were allowed by the Commission except those which were represented by Mr. Murray and Mr. Talmage, as attorney or attorney in fact, except perhaps, the small claim of Mr. Lorenzo H. Finn, for $10,000. Whether he was required to divide or not does not appear in the record, but the intelligent reader can draw his inference.

SUSPICIOUS CIRCUMSTANCES.

From Dr. James S. Mackie, a highly respectable gentleman, for a long time con-

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nected with the State Department of Washington, and the attorney for William H. Aspinwall and others, who had *bona fide* and just claims against Venezuela, the following valuable and suggestive evidence on the *modus operandi*, of the American modern statesmen, Stilwell, Talmage, Murray & Co., was adduced before the Foreign Affairs Committee of the present Congress.

I went into a coal-broker's office, and found Mr. Talmage to be a coal-broker, dealing largely in anthracite coal. I introduced myself and congratulated him upon his appointment, and said: "Mr. Talmage, I want you to do me a favor—to look at a memorial which I have here, (referring to a parcel of bonds.) Have the goodness to count the bonds over and to see that they are all there, as stated in my memorial, and take charge of them in behalf of American citizens, whom I represent as attorney." Mr. Talmage said, "I cannot have anything to do with that kind of business." I said, "I beg your pardon; I thought you were a Commissioner on the part of the United States to represent our citizens." Said he, "I have nothing to do with taking charge of their claims." I said, "Mr. Talmage, if you will excuse my personality, I was twelve years in the Department of State, and I have known all about all the commissions to the Spanish Governments in that time, and I have never yet heard a Commissioner, either an American Commissioner or a foreign Commissioner, say that it was no part of his duty to take charge of the claims of his fellow-citizens. I take it that that is one of the objects of your appointment." He said, "I cannot recognize that at all. I will have nothing to do with it." I then said, "Mr. Talmage, I was a Commissioner of the United States myself to Peru, and I felt it not only a duty, but a privilege, to give every attention that I could to American claims before I went abroad." He still persisted. I said, "It is very strange; here I am an attorney for these recognized claims, and you, as Commissioner, refuse to take charge of them. What am I to do?" Said he, "Mr. Mackie, I advise you to go to a gentleman who happens to have a great deal of that business in his hands, and I think he is the best man that you can give your claims to." I said, "Who is he?" He said, "Mr. William H. Whiton." He gave me his address—I think some place in John street or Maiden Lane. I went down to that place, and went through rows of bales of hay piled up all through a warehouse, until I came to a gentleman sitting with his hat on at the desk writing. I said, "Is Mr. Whiton here?" This gentleman looked up and said, "Yes." I said, "Whiton, is that you?" I recognized in him an old friend and neighbor of mine when I was living on the heights of Georgetown. Said I, "I am looking for another man." He said, "Who?" I said, "A man of the same name, W. H. Whiton." He said, "What do you want with him?" I said, "I was referred to him by Mr. Talmage as having charge of Venezuelan claims; but you have nothing to do with Venezuelan claims?" "Yes," said he, "I have; I am the man." With a little strength of expression I asked him what the deuce he knew about Venezuelan claims. He said that he had peculiar facilities for presenting them and having favorable action upon them. I said, "Whiton, I have got a bundle of claims here, but I do not know why I should give them to you more than to anybody else. What are you going to charge for taking care of them?" He said, "Fifty per cent." Said I, "That is modest. There is about $180,000 of these claims, and as much accrued interest, and you want half for presenting the memorial and claims. All the claims are recognized; they are simply protested notes of Venezuela. I cannot give you 50 per cent., because I could not control that." Said he, "I cannot do it for less, for I have got to divide." I said, "You cannot divide any of my friends' money," and I went out. I then immediately wrote to the Department of State, and transmitted my papers, and I have the receipt from the Department of State, in which the Department promised to send them to Venezuela, which reads as follows:

DEPARTMENT OF STATE,
Washington, June 20, 1868.

SIR: Your communication of the 19th instant, with its inclosure, has been received; also, the package addressed to the Joint Commission, now in session at Caracas.

Your wish in reference to the papers has been complied with, and they will go out in the mail of the 23d instant.

I am, sir, your obedient servant,

W. HUNTER, *Secretary.*

JAMES S. MACKIE, Esq., *New York.*

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The package arrived there with the original bonds, of which I have submitted one to your inspection, and with my memorial. The amount of the bonds in round numbers was three hundred and fifty-five or six, of $500 each, and the interest amounted to about as much as the original claim, dating from January, 1827. I then had an intimation that a man named William P. Murray down there had very confidential relations with Mr. Talmage, and that if I did not do something there was no earthly chance that my papers would every be presented to the Joint Commission.

Q. From whom did you get this information? A. I do not recollect; I do not know how that information came to me. So I at once wrote Mr. Murray a letter. He had himself written to Mr. Aspinwall, Mr. Russell, and others. I have not got his letter, but the pith of it may be inferred from this reply. It is as follows:

June 19, ——8.

DEAR SIR:—Your letter of 13th April last, to Messrs. W. H. Aspinwall, C. H. Russell, and others, on the subject of their claim agatnst Venezuela, to be submitted to the Mixed Commission, has been referred to me, in whose hands the prosecution of the claim was placed long ago.

The absence in Europe of W. H. Aspinwall, Esq., since last Autumn, has much embarrassed the prompt prosecution of the business, and this fact will doubtless satisfy the Honorable Mixed Commission as to the delay in submitting the case, especially as I have repeatedly applied to the Department of State, at Washington, for copies of the rules and regulations adopted by the Board, but have been informed that none had been received from the Commissioners.

On the subject of compensation, I beg to say that I will give you a fee, if successful, of ten per cent. on the gross sum awarded by the Mixed Commission, which shall be in full compensation for the services of yourself and any persons assisting you, and of all expenses incurred in their behalf.

I place you on an equal footing with myself in this respect. If you will send me any particular form of agreement, I will sign it in the sense above promised. You must take your compensation in an assignment from me of that amount of the award, and without recourse.

Presuming that the terms will meet your acceptance, I send herewith my power of attorney to you to prosecute the claims before the mixed commission.

The memorial, exhibits, &c., in proof, and the bonds themselves, go by this steamer, under cover, to the United States Minister from the Department of State.

I also inclose herewith two printed agreements by my friend and advisor, Hon. S. S. Cox, before the Columbian Commission, which bear upon the principles involved. In one of them you will find an important precedent established by the decision of General Hearne, as umpire to the Mixed Commission in Peru, in 1863, of which I was a member, on behalf of the United States. The case is a very similar one.

I also inclose a brief prepared by Hon. H. S. Sanford, our present minister to Brussels, who discusses this claim thoroughly. He has placed it at my disposal. You will perceive that it would be obviously inexpedient to let this paper pass into any other hands than your own, as some parts of it are discouraging.

Wishing you abundant success, and requesting the favor of immediate acknowledgement, I am, my dear sir,

Very truly, yours,

JAMES S. MACKIE,
Attorney.

WILLIAM P. MURRAY, Esq.,
Caracas, Venzuela.

I have here proof that the claim was presented by the United States Government to the legation at Caracas, thus bringing it within the terms of Article I. of the treaty with Venezuela, which was concluded at Caracas, April 25, 1856, and under which this Commission had its existence.

Q. Were these papers filed in the American Legation at Caracas before the organization of the Joint Commission? A. No, sir; it is impossible that they should have been filed before, inasmuch as they were offered to the Commissioner in New York, before he departed for Venezuela. After Mr. Talmage refused to take charge of them, there was some delay, in consequence of Mr. Aspinwall's

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business in Europe, and my desire to see whether he was willing to give this gouge of 50 per cent. rather than lose his claim, so that it was some time before I transmitted the papers to the Department of State. After that I heard nothing more, until the Commission had completed this work, and had broken up.

Q. What did Mr. Talmage state to you as the reason why the umpire did not allow the Aspinwall claim? A. He told me that the claim was all regular and right, and that if it had gone out when he told me to send it out with the claims which that other gentleman (Whiton) had, it would have arrived in time; and that the umpire said that by the time that claim arrived there, he had allowed so many claims in favor of American citizens, and of such large amounts, that he could not dare to the face the Venezuelan Government if he passed more claims in addition to the others.

Q. Does it appear that the Joint Commission ever passed upon the claim one way or the other? A. It never came before the umpire.

Q. It could not come before the umpire if the two Commissioners had rejected it? A. No, sir; of course not. It could not go before the umpire unless there was a difference of opinion between the American and the Venezuelan Commissioners.

Q. What was done? A. I read from Executive Document No. 176, Forty-first Congress, second session, that these were sent to the Mixed Commission too late for their adjustment, and they were passed over for that reason, without prejudice, and saving all rights thereof under the convention. They were not rejected.

Q. Then there was no disagreement between the American and Venezuelan Commissioners as to the Aspinwall claims? A. None whatever, so far as the record goes.

Q. Then it never was referred to the umpire for his decision? A. No, sir; but Mr. Talmage told me that he went to the umpire about it, and that the umpire told him that he had allowed so many claims that if he were to allow this claim he could not look the Venezuelan Government in the face.

Q. Is there any evidence in the record that the Venezuelan Commissioner refused to recognize the validity of the Aspinwall claim. A. I think not.

MR. W. P. MURRAY NOT IN A GREAT HURRY TO RETURN SOME BONDS.

Q. You stated something in regard to not getting your Venezuelan bonds out of the possession of Mr. Murray; explain that. A. I had not heard anything about them, and I became a little alarmed. I was told that Mr. Murray had carried off those bonds with him to Minnesota, and I had heard so much to his discredit that I thought he was capable of using those bonds improperly. I therefore wrote to Mr. Hunter, the Assistant Secretary of State, which letter he answered personally instead of officially, stating that he had been trying to get on Murray's track, but had not succeeded. Finally I found out where Murray was —I think through a man named Aaron Goodrich, formerly Secretary of Legation at Brussels—and I wrote to him and got back the bonds.

Q. Where did you address him? A. At St. Paul, Minnesota.

Q. What was the date of the return of the bonds to you? A. I think it must have been sometime in 1869.

Q. Did Murray, after his return to the United States, communicate with you in any way, and tell you that he had these bonds and offer to return them to you? A. No, sir; I wrote to the State Department to find out where he was. I wrote to Mr. Hunter and told Mr. Hunter that those bonds, if lost, would cause me a great deal of trouble, and that I would have to prove that they were taken by somebody else.

Q. How did Murray become possessed of those bonds? A. Murray was authorized under my letter to present my memorial and the papers with my power of attorney, and I inferred that under that authority he withdrew them from the files of the American legation in Caracas, to which they had been sent, and presented them *pro forma* to the Commission.

Q. Was anything required of Mr. Murray in the capacity of attorney, in order to present the merits of this Aspinwall claim before the Commission? A. Nothing whatever. In my letter I stated distinctly that the memorial was there, the proofs all there, and that all that I expected him to do was to read that memorial as my representative on the spot, and to present those proven bonds to the Commission and ask for a corresponding award.

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Q. Did you not know that no attorney could appear before that Commission? A. No, sir.

Q. At the time that Mr. Talmage was appointed United States Commissioner under the convention with Venezuela, what was his occupation? A. So far as I know, he was a coal-broker. That was his business reputation in New York.

Q. What was Whiton's occupation? A. Mr. Whiton having told me a year or two before that he had a patent for pressed hay, and on the occasion of my visit to him having gone between long rows of bales of hay, I inferred that he was a hay-merchant or a commission-merchant. When I was in the Department of State, living on the heights of Georgetown, Whiton had a very desirable residence there and a very charming family, and our families were more or less intimate. He occupied a common position in the war with the South under General McCullom, who had charge of the railway service.

Q. Did he ever practice law? A. I never heard of such a thing. I cannot express to you the astonishment which I experienced when I was sent to Mr. Whiton and found him to be my old neighbor.

The character of the American Commissioner and of Mr. Murray and Mr. Whiton, can be estimated from a perusal of the foregoing testimony.

THE CONSPIRACY FULLY PROVED.

The evidence of Hon. Milton S. Robinson, a member of the present House of Representatives proves that Mr. Stilwell died in 1874, that at the time of his appointment as Minister to Venezuela, he was wholly insolvent, and had no means except his salary that he could have invested in the certificates awarded by the Commission. But in the settlement of his estate, and in winding up the affairs of the National Bank in Anderson, Indiana, it appears that Stilwell had overdrawn his account in that bank, of which he was President, to the amount of $150,000, and that he had deposited with the bank, as collateral security for his overdrafts, $80,400 in the Venezuelan certificates issued to claimants by this Mixed Commission. Congressman Robinson also testified that Stilwell received this large amount of certificates in consideration of the influence that he used as American Minister in procuring the allowance of claims before the Commission, and that he received one-fifth of the amounts exacted by Murray from claimants before that Commission. The amount of claims represented by Murray and allowed to his clients was $851,000. Half of this, or Murray's proportion thereof, assuming that he received one-half, on an average, of the claims he represented, would be $425,500. One-fifth of this, Stilwell's interest, would be $85,100. As it was established in evidence that Stilwell paid to GODLOVE S. ORTH, of Indiana, $3,000, or $4000, in these certificates for lobbying through Congress legislation favorable to these fradulent awards, the amount deposited by Stilwell in his bank, as collateral security for his overdarfts, to wit, $80,400 is easily accounted for in view of all the circumstances.

THE CLEAREST EVIDENCE OF FRAUD BY THE AMERICAN COMMISSION.

But the evidence of collusion on the part of Commissioner Talmage, and the American Minister Stilwell, does not rest here. The conduct of Commissioner Talmage in reference to the claim of one Jacob Idler offers inconvertible proof of the gross frauds that characterized the proceedings of the Mixed Commission. It appears from the papers on file in the State Department at Washington, that the Idler claimants appointed William H. Whiton, of New York, as their attorney, and that Whiton was to retain one-third of all the amounts received by him for his services. This Whiton is the same person to whom Dr. Mackey, who has been mentioned above, was recommended by Commissioner Talmage as the man who had facilities for putting claims through. In plain terms, Whiton was Talmage's *confidential agent*, and occupied the same relation towards Talmage that Murray bore towards the American Minister, Stilwell. Neither Talmage nor Stilwell were depraved enough to personally demand from claimants a half or a third of the amount awarded by the Commission, and were therefore compelled to avail themselves of the intermediation of Whiton and Murray. Whiton was not a lawyer, but he was Talmage's "man." Nor did Whiton deem it necessary to go to Caracas. The object of his employment by Talmage was attained without the inconvenience of a long journey to the tropics. The claims which were represented by Whiton, were secretly placed in the hands of Commissioner Talmage, to whom Whiton gave

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a special power of attorney to withdraw from the Commission, and receipt for all claims awarded to the respective parties. In the case of Idler claimants, the following is the text of the power of attorney conferred by Whiton on the American Commissioner: "Be it known, and know all men by "these presents, that I, William Henry Whiton, of No. 111 Fulton street, New "York, United States of America, for value received, have made, constituted and "appointed irrevocable, and by these presents do hereby make, constitute and "appoint, the Honorable David M. Talmage, of the Town of Flushing, Queens "County, New York, United States of America, (United States Commissioner "upon said mixed commission in Venezuela,) my true and lawful attorney, "irrevocable, for me and in my name and stead to ask and receive from the said "mixed commission, the Government of Venezuela, or the United States Govern- "ment, all and every such award, certificate or certificates as may be awarded, "issued, given, or granted by said mixed commission, for or on account of said claim "or indebtedness, and every and all such sums of money, securities, or commodities "as may be given or granted, paid or caused to be paid, by the Government of "Venezuela or the Government of the United States on account of said claim, or "by said award or awards, or certificate or certificates, from time to time, as the "same shall become due and payable, and on receipt thereof to him, sign and "deliver acquittances or other sufficient discharges for the same for me or in my "name, or in the name of Sophia Idler, administratrix of the estate of Jacob Idler, "deceased, to do all lawful acts and things whatsoever in and concerning the "premises, as fully in every respect as I myself might or could do if personally "present, and the attorney or attorneys under him for the purpose aforesaid to "make and at his pleasure to revoke; hereby ratifying and confirming all whatso- "ever my said attorney or substitutes shall in my name or in the name of the said "administratrix lawfully do by virtue of these presents."

TALMAGE'S SUBLIME AUDACITY.

In view of the fact that Commissioner Talmage was thus the real attorney for the Idler claimants, the following sworn statement, made by Talmage before the Committee on Foreign Affairs of the House of Representatives of the 41st Congress, under date of April 25, 1870, when he was endeavoring to secure legislation confirmatory of these fraudulent awards of the Mixed Commission, strikes us as being peculiarly refreshing:

"The attorney of the heirs of Jacob Idler (the first claim presented) appeared "before the Commission and offered to file the claim for consideration. To this "the Venezuelan Commissioner objected, and refused to allow any claim to be "received or to be considered by the Commission, except when offered directly "by the respective governments, or through the United States legation at Car- "acas, or to allow claimants to appear before the Commission in person or by "attorney."

A SAMPLE OF THE BOGUS CLAIMS.

This Idler claim, on which $252,814 was awarded, was the largest allowed by the Commission, and was purely without merit. We have seen that the claimants retained Talmage's "man," Whiton, a dealer in hay, as their attorney. This Idler claim grew out of supplies furnished to the old Columbian Confederacy in the year 1817, during the war between Spain and her South American colonies, which resulted in the independence of the latter and the establishment of the present South American Republic.

Jacob Idler, in his life-time, had instituted a suit in the Venezuelan courts after the dissolution of the Columbian Confederacy, and there had been allowed him by one decision the sum of $70,520.11. This decision of the court of Venezuela was subsequently reversed, and pending further litigation Idler abandoned his case and left the country, without prosecuting it to a final hearing. The government of Venezuela, Idler himself, and his heirs regarded the matter as long since abandoned. After a lapse of over thirty years, the claim was revived on the assembling of the Venezuelan Mixed Commission at Caracas. It is worthy of remark, in this connection, that neither this claim, nor that of Beales, Nobles & Garrison, appeared in the schedule of claims which were pending in the American Legation at the time the Mixed Commission was organized. They were both trumped up after the organization of the commission, and owing to the peculiar constitution of that tribunal, and the peculiar facilities of certain persons for having claims allowed before it, it would be an easy matter to

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have such claims adjudicated. Commissioner Talmage, in the case of Jacob Idler, held that the original sum of $70,520.11, which one of the tribunals of Venezuela had at one time found due to Idler, was still due and payable to his heirs, notwithstanding the decision of that court had been reversed, the cause remanded, and litigation in the courts abandoned for over a quarter of a century. But the principal sum would not satisfy Commissioner Talmage in this case, acting as he was in the double capacity of attorney and judge. He held that the claimants were not only entitled to receive the principal, but $182,294 as interest, fixing the aggregate of his award at the enormous sum of $252,814. Upon what principle of law or equity this case was decided it is not necessary to discuss; that this claim could have been the subject of international arbitration is contrary to well-established principles. Idler was a citizen of the United States, it is true, but he entered into contracts with a Government in time of war, and made his contracts subject to all the uncertainties of the situation. After the war was over he proceeded to adjust the balance due him in the only way pointed out, viz., by the institution of proceedings in the local courts. These courts furnished him his only means of redress. Having chosen that forum, and the courts having taken jurisdiction of his case, he was bound to prosecute his case to the final court of appeal in that country. Not having done so, it is impossible to determine whether justice was denied him or not. It will be seen that this case is set down as "No. 1" on the docket. Mr. Talmage, as attorney for the claimants, appeared before the Commission, according to his own statement, and urged this case upon the immediate consideration of the Venezuelan Commissioner. Commissioner Condé protested, saying that he could not decide a case of so much importance in the five days allowed for its consideration, and asked for further time. This was refused him, whereupon he resigned, and declined to have any further connection with the Commission. Mr. Villafané having been appointed as his successor, the case went to the umpire, who innocently admitted that it was too complicated for him to enter into an analysis of its details. He adjudged that the amounts had been estimated correctly and approved of the decision of the American Commission.

TALMAGE'S PERJURIES.

But this is not all. Soon after Talmage's return to the United States, the Commission having adjourned, he continued to act as the attorney of the Idler claimants, for the purpose of procuring a recognition by the Government of the United States of the validity of the findings of the Commission; and as such attorney he states in his own evidence that he received from them, for his services the sum of $15,000. Notwithstanding that he was the paid attorney of the Idlers, mark with what sublime audacity he concluded his statement to the Foreign Affairs Committee of the 41st Congress, above referred to:

"I have written the foregoing voluntarily from considerations of public policy, "and now proceed to make oath as to the statements therein made, that claimants "may have the benefit thereof as against the Government of Venezuela, seeking to "set aside the awards of the Commission."

This solemn statement made, as he avers, "voluntarily from considerations "of public policy," while, in fact, he was acting in the capacity of a paid lobbyist, will only establish, in the estimation of all honorable men, his utter disregard of the obligations of an oath and his utter unfitness for the high position which he had prostituted.

THE SERVICES OF THE PRISON TAILOR BADLY WANTED.

The admission by Commissioner Talmage that he was in the pay of the Idler claimants, was not made at that time, but was elicited by those "resultless and "foolish" investigations of the Democratic House of Representatives, before whose Committee on Foreign Affairs Mr. Talmage appeared as a witness *voluntarily*, and yet when he was served with a summons issued from the District Court of the District of Columbia in a suit instituted against him in that Court, Talmage, in order to deprive that court of jurisdiction over the case, made an affidavit before a New York notary, to the effect *that he was in attendance before the Committee on Foreign Affairs of the House of Representatives as a witness under subpœna at the time he was served with a process in that case, and that he had no other or further business in the District of Columbia except as a witness in obedience to said subpœna.* This, it is needless to add, was de-

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liberate perjury, and shows what a totally depraved miscreant Talmage is. Not only was he *not served* with a subpœna, but after appearing as a voluntary witness on June 22, 1876, he promised faithfully to be present on the following day; he left Washington that very night for New York, and addressed a letter to a member of the Committee stating, "that he had *voluntarily appeared* before the Committee, and that the object of his journey to New York was to refresh his memory in reference to the facts under investigation by examining important papers he had in the latter city. That was the last of him. A subpœna was issued, and several deputy sergeants-at-arms started in pursuit of him and continued scouring the country for the late "Commissioner," but to no purpose. Talmage was not to be found, although he occasionally wrote letters, from his hiding-place, abusing the committee for the course they were pursuing, and ridiculously charging Mr. Springer, the chairman of the sub-committee, who conducted the investigation, with having been bribed by the Venezuelan Government.

THE TOTAL AMOUNT STOLEN.

We have given above the particulars of the Idler claim. Every other claim concerning which the two Commissioners disagreed, and which were therefore necessarily determined by the umpire, young Machado, was equally worthless in merit, and equally tainted with fraud in its course through the Mixed Commission. It is not necessary to go into the details of the other claims. It is enough to state, that the total awards of the Commission were $1,253,300.17, *of which* $794,122 *was awarded by the umpire.* Of the latter awards the Committee of the House of Representatives of the present Congress unanimously declare in their report :

" On a careful examination of each and every one of the cases decided by the " umpire, your committee have failed to discover a single award which is justified " by the law or the evidence. Not one of these awards which were adjudged to " be paid under the impoverished resources of that Republic (Venezuela) amount- " ing to nearly $800,000 is of such a character, when the merits of each case is " fairly considered and understood, as entitled it to any consideration whatev- " er. Now that the fraudulent character of these claims are exposed, our Govern- " ment cannot consistantly with national honor and that fair dealing which " should always characterise the conduct of stronger goverments towards weaker " ones, insist further upon their payment. What could be more unjust and un- " reasonable than the decisions of the umpire in the cases above referred to ?"

REPUBLICAN CONGRESSES TO THE RELIEF OF THE SWINDLERS.

In marked and bold contrast to the just course of the Democratic House of Representatives stands the action of the preceding Republican Congresses. The Venezuelan Government began its protests against the illegal and fraudulent awards of the Mixed Commission within a short time after it adjourned, which occurred on August 5, 1868, a month before the expiration of the year during which, by the provisions of the treaty, it was to be in session, was thus violated, to the detriment of many *bona fide* claimants, many of whom had delayed urging their claims, in the belief that the Commission would not dissolve before the time directed in the treaty. But Talmage and Murray became so fearful of having their rascalities exposed whilst they were still on Venezuela soil, and dreading the consequences of such exposure, that they left Caracas surreptitiously, and secretly embarked for the United States in a sailing vessel at La Guayea, the sea port of the Venezuelan capital. It may also be stated that Machado, the umpire, also fled from Venezuela with his share of the plunder and came to the United States, but his whereabouts were unknown, or he would have been summoned before the Congressional Committee that investigated this subject at the last session. A long and protracted diplomatic correspondence between the aggrieved and wronged Republic of Venezuela and the United States has continued to the present time.

This diplomatic correspondence, always bearing the same complaint, and alleging corruption and bribery against the American Minister and the Commissioner, and charging and endeavoring to demonstrate the fradulent and groundless character of the claims awarded by the umpire, haing been referred to the respective committees of the Senate and of the House on Foreign Affairs, there wrs a partial investigation of these complaints on the part of Venezuela before the Committees on Foreign Agairs of the Forty-first Congress of which Godlove S.

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Orth, who will appear later on in this narrative, was a member. At the second session of that Congress, Mr Talmage appeared before the Committee on Foreign Affairs of the House of Representatives, on the 14th of April, 1870, on "behalf of the United States Government," as appears from the records of the committee, and made a brief statement in relation to his connection with the Venezuelan Mixed Commission.

The subject was investigated by the committees of the two Houses on Foreign Affairs, and on the 1st of June, 1870, a joint resolution was reported to the House, which, after reciting in the preamble the organization and adjudications of the Commission, provides as follows:

"That the adjudication of claims by said Commission, pursuant to the terms of said convention, is hereby recognised as final and conclusive, and to be held as valid and subsisting against the Republic of Venezuela; and for the purpose of enforcing the collection and payments of the sums of money so awarded, the President is hereby authorized and directed to make demand upon the Republic of Venezuela for immediate payment; and in case of neglect or refusal to make such payment, that he employ such portion of the naval and military forces as may be necessary in his judgment to secure the faithful performance of the terms of said convention."

This joint resolution was not pressed to a passage at that session of Congress. Nothing seems to have been done in the matter other than this by the Forty-first Congress.

At the Forty-second Congress, however, during the second session, the matter was again referred to the Committee on Foreign Affairs. Mr. Packard of Indiana, a member of that committee, had the matter under consideration, and made a careful examination of the complaint of Venezuela against the character of the Commission and their awards.

A REPUBLICAN HOUSE ADMITS THE SWINDLE BUT, AS USUAL, ENDS BY SUSTAINING THE RASCALS.

On the 7th of March, 1872, he submitted a report on the subject in which he says:

"Your committee have examined this testimony, and cannot avoid the conclusion that it shows reasonable ground for complaint on the part of the Government of Venezuela and the claimants whose cases were adjudicated before the tribunal. These complaints are of the following tenor: That powers of attorney were given in some of the cases to the American Commissioner, and he received pecuniary compensation for executing the same; that an improper intimacy existed between the American Commissioner, the umpire, and Mr. William P. Murray, who was the attorney of sundry claimants, and was also represented as being the Secretary of Legation, all the claims having to pass through his hands; and that the said William P. Murray received from the tribunal of arbitration certificates to the amount, in most cases, of one-half the sum allowed to the claimants. This last ground of complaint is common to the Venezuelan Government and to the claimants, who earnestly request the passage of a joint resolution to authorize the President to call in all the certificates issued by the Commission, so as to defeat any payment to those whom the memorialists consider fraudulent holders."

In view of all the circumstances, which the committee then carefully considered, they were of the opinion that the President should be directed to suspend payment on the certificates of the award now outstanding, and that he be authorized to enter into negotiations with the Government of Venezuela for a rehearing of the claims passed upon by the tribunal of arbitration, and they recommended the passage of the bill which accompanied the report. This bill [No. 1859] was read a first and second time and recommitted to the committee, from which it was never reported. The failure of the Committee to take such a course as would do justice to Venezuela, especially after the foregoing report, was regarded as unaccountably strange, but the investigation of the present Democratic House at the last session, clears away the mists that have hitherto wrapped this action of the 42d Congress in mystery.

GODLOVE S. ORTH.—A LOBBYIST OF SWINDLERS AS MINISTER TO AUSTRIA.

And here another illustration is again offered of the unscrupulousness and venality of the leading Republican statesmen. Mr. Orth had been a member of the 41st Congress, which had partly investigated this Venezuela business. *He was*

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familiar with the charges of fraud alleged by the Venezuelan Government against the American Commissioner. In his testimony last Summer, he swore that Mr. Fish, the Secretary of State, had referred the complaint of the Venezuela Government to his Committee of the 41st Congress, and he was cognizant of it, and concurred with Congressman Wilkinson's report which is quoted above, and from which the reader has already perceived that the charge of fraud preferred by Venezuela against the American Commissioner, Talmage, was admitted to be founded upon good cause.

With a knowledge of the facts, Mr. Orth became the hired lobbyist of that worthy trio, Talmage, Stilwell and Murray. The following is Mr. Orth's testimony on the subject:

"Question. State your residence and position. Answer. I reside in Indiana; I was a member of the Thirty-eighth, Thirty-ninth, Fortieth, Forty-first and Forty-third Congresses. I have just returned from Europe.

Q. Are you still Minister Plenipotentiary to Austria? A. Yes. I have not yet sent in my resignation, but I expect to resign in a day or two.

Q. You were a member of Congress in the Summer of 1873? A. Yes. I was elected in October, 1872, from the State of Indiana at large, to the Congress which organized on the first Monday in December, 1873.

Q. Do you know anything about what is called the Venezuelan awards? A. Yes. During the Forty-first Congress, I was a member of the Committee on Foreign Affairs, when I first heard the trouble about the Venezuelan awards. That committee had an investigation of the matter, and took testimony, which I presume is among the archives of the committee, and it made an unanimous report sustaining the awards. I think the report was made to the House by Mr. Wilkinson. That was at the second session of the Forty-first Congress. I went out of Congress on the 4th of March, 1871. Subsequently to that time, and when I never expected to be in Congress again, *I accepted an employment from Stilwell and Talmage to act as their attorney in procuring a payment of some money which had been forwarded here by the Venezuelan Government, and which was in the State Department. That employment included my service down here in Washington to assist in procuring the passage of the joint resolution of the Forty-second Congress declaring the validity of the award.* My recollection is that the House passed a joint resolution which went to the Senate, and that the Senate amended it by striking out what was supposed to have been the *force part of it*, as it was called; and when it came back to the House, the House concurred in the Senate amendment. Mr. Packard, of Indiana, reported it from the Committee on Foreign Affairs.

Q. Was Mr. Packard a member from the same district which you represented? A. No, sir; he was a member from the La Porte district, and I lived in the La Fayette district. I was here in the latter part of January or the first of February of that year, 1873. I was here at the time that the House concurred in the Senate amendment.

Q. *Were you favoring the passage of the bill reported by Mr. Packard, in which the President of the United States was authorized and directed to adopt such measures as he might deem expedient to enforce the claims of the citizens of the United States adjudicated by the Mixed Commission?* A. My impression is that the House bill had passed before I came here, and that the Senate struck out what was called the *force clause* of it.

ORTH TAKES SEVEN OR EIGHT OF THE FRAUDULENT CERTIFICATES.

Q. While you were here you were acting in behalf of Talmage and Stilwell? A. Yes, sir.

Q. Who was Mr. Stilwell? A. He was formerly a member of Congress from Indiana, and was appointed Minister to Venezuela.

Q. Was he minister to Venezuela pending the sitting of the Mixed Commission in Caracas? A. Yes, sir.

Q. Who was Mr. Talmage? A. He was the Commissioner on behalf of the United States.

Q. Did you receive compensation from Stilwell as well as from Talmage? A. Yes, from both of them.

Q. *Was any portion of the compensation that you received paid to you in these certificates?*—A. YES; I THINK I PROBABLY GOT SEVEN OF THESE THOUSAND DOLLARS.

Q. Did those certificates come through Talmage or through Stilwell? A. *They came through both of them.*

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Q. Which furnished the greater part? A. *I think that Talmage furnished the greater part.*

Q. At what time did you receive those certificates? A. I received probably some of them in 1871, some in 1872 and some in 1873."

The foregoing, from Mr. Orth's own lips, establishes his close identification with this swindle. He earned his money well. Through his influence Secretary Fish paid an installment of 7 per cent. on the fraudulent certificates, $121,000 of which Talmage had possession, but which were claimed by Mr. Seth. C. Driggs, who had notified the State Department, that this amount of certificates belonged to him, and were fraudulently withheld from him, the lawful owner, by Talmage. Through his influence, the House of Representatives of the 42d Congress, passed the following bill.

"SECTION 1. That the adjudication of claims by the convention with Venezuela of April 25, 1866, pursuant to the terms of said convention, is hereby recognized as final and conclusive, and to be held as valid and subsisting against the Republic of Venezuela; and that the President of the United States be, and he is hereby, authorized and directed to adopt such measures as he may deem expedient to enforce the claims of citizens of the United States adjudicated by the Mixed Commission organized under the treaty of the 25th of April, 1866, and made payable by the Republic of Venezuela to the Government of the United States, in accordance with the provisions of said treaty.

"SEC. 2. That he be authorized and directed, in like manner, to collect such claims of the citizens of the United States as were acknowledged by Venezuela to be due prior to the sitting of the said Mixed Commission."

What can be more infamous? To declare a war against a weak and struggling sister republic, because it refused to pay awards allowed by a commission composed of such sharpers and knaves as Talmage and Machado! But Charles Sumner was not yet dead, and at his instance we were saved the shameful spectacle of extorting money, at the cannon's mouth from a feeble nation, which had been robbed by a representative of the United States, with the American Minister as an accessory before and after the fact. Through Mr. Sumner's interposition, the Senate struck out the *force* part of the bill, and as amended it passed both Houses, as follows:

"An Act to enforce the stipulations of the convention with Venezuela, of April twenty-fifth, eighteen hundred and sixty-six, and the payment of adjudicated claims.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the adjudication of claims by the convention with Venezuela of April twenty-fifth, eighteen hundred and sixty-six, pursuant to the terms of said convention, is hereby recognized as final and conclusive, and to be held as valid and subsisting against the Republic of Venezuela.

Approved February 25th, 1873."

SARDINE STATESMANSHIP—MR. FISH VERY PLUCKY WITH VENEZUELA.

The above law is still on the statute book, and has been the pretext by Hon. Hamilton Fish is who is at the helm of our State Department, for insisting upon payment of the fraudulent awards of the Commission. In vain has Venezuela appealed to our Government; in vain has Venezuela protested; in vain has Venezuela argued that Talmage and Machado had robbed her. Mr. Fish, who considers himself the greatest diplomat that ever lived, has been deaf to Venezuela's requests for justice and redress. Mr. Fish has issued his edict that the adjudication of the Mixed Commission is final and conclusive, and wants the money that has been stolen. Our present Minister at Caracas, Mr. Russell, is instructed to demand immediate payment, and Mr. Fish writes to him as follows:

"Should the payment be refused, or be offered only in connection "with conditions, restraining the right of disposal of the money by the "United States, you will at the expiration of the time which you may have "named, close your legation, and notify the Minister of Foreign Affairs thereof, "and will take the earliest opportunity to leave the country."

In pursuance of this emphatic demand, Venezuela paid *under protest*, $75,000 between July and November, 1875, and these payments have enabled Mr. Fish to declare a dividend in May last of eight per cent. on the total amount awarded, which includes all the fraudulent certificates, among them being the "seven or eight" held by Godlove S. Orth.

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A DEMOCRATIC HOUSE CHAMPIONS THE CAUSE OF JUSTICE AND EXPOSES THE THEFT.

We cannot end this sketch more appropriately than by quoting the closing part of the unanimous Report of the Committee on Foreign Affairs of the present House of Representatives, after a full and thorough investigation of the facts.

"Now that a careful inquiry has been made by your committee in reference to the conduct of our officials, and also to the fraudulent character of the claims awarded by the Commission—which investigation, in the opinion of your committee, has demonstrated the truth and reasonableness of the allegations of Venezuela—a further and continued refusal on the part of our Government to respond to the appeals of that Government cannot be justified on principles of international honor and comity. If Venezuela were the equal of this Government in area, population, and resources, she would have long since ceased to address our Government by appeals to our magnanimity and sense of justice, and would have terminated all diplomatic intercourse and assumed toward us the attitude which we now bear toward her. In order, therefore, to vindicate the proud position which our Government has always assumed toward other nations of the world, and to preserve intact the peaceful means of national arbitrament for the settlement of all differences arising between nations, we should at once proceed to do full justice in the premises. We can afford to respond to the appeals of Venezuela in this case and by so doing will honor ourselves and vindicate the ancient precept, that 'righteousness exalteth a nation, but sin is a reproach to any people.'

In view of the fact that this session of Congress will soon adjourn, and that definite and final legislation on this subject cannot be effected at this session, your committee recommend the passage of the following joint resolution suspending all further payments by the Secretary of State to holders of Venezuelan certificates, and withholding further demands upon Venezuela for future payments until the 4th day of March next, or until further legislation by Congress."

JOINT RESOLUTION IN REFERENCE TO THE PAYMENT OF AWARDS OF THE VENEZUELAN MIXED COMMISSION.

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the President of the United States is hereby requested to withhold further demands upon the government of Venezuela on account of the awards of the Mixed Commission under the convention of April 25, 1866, until the 4th of March, 1877, and the Secretary of State is authorized and directed to suspend all further payments to holders of certificates awarded by said Mixed Commission until said time, unless Congress shall otherwise direct.

The committee unanimously concur in recommending the passage of the foregoing joint resolution." MR. GODLOVE S. ORTH, had been nominated for Governor of Indiana by the Republican party, but the disclosures elicited by the Democratic Investigators of this Venezuela fraud were regarded as so ruinous to his prospects, that he was compelled to withdraw from the canvass in disgrace, so that among the good deeds of the present House of Representatives, we must number this last, by which the people of Indiana were saved even from the very *remote possibility* of having a corrupt lobbyist as their Chief Magistrate.

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THE SAN DOMINGO JOB.

PRESIDENT GRANT'S PET SCHEME.

The scheme for the annexation of San Domingo to the United States originated with two adventurers—Joseph W. Fabens and William L. Cazneau. These two men were typical speculators; they belonged to a class of needy persons who found fine opportunities to turn to their advantage the mania for speculation which ensued towards the close of our civil war, and continued to rage with unabated violence for several years after the termination of hostilities. They were both natives of Massachusetts, and had been in early youth liberally educated. Cazneau emigrated early in life to Texas, and from thence to San Domingo, where he lived for several years. Fabens had also led an adventurous life, and was concerned in the burning of Greytown by Capt. Hollins. They were easy-going fellows, with elastic consciences and a ready aptitude for originating schemes which in the remote future were to largely benefit mankind, but which were always designed for the *immediate* benefit of the inventors.

WHERE THE IDEA CAME FROM.

The idea of annexing San Domingo to the United States seems to have occurred to Cazneau as early as 1862. Large numbers of slaves were then flocking to the Union armies. As they invaded the South, and the question of their maintenance and employment had become a very serious and perplexing one, Cazneau, from his intimate acquaintance with the leaders of the San Dominicans, Cabral and Baez, found but little difficulty in working up a sentiment in that island in favor of annexation. His project was to organize a company in New York, and obtain large concessions in San Domingo, and then import contrabands, who were to be employed in tilling their coffee, sugar and tobacco plantations, and in working their salt, copper and iron mines.

WHO COMPOSED THE GREAT AMERICAN WEST INDIA COMPANY.

In 1863, the great American West India Company was in full operation, with its headquarters at New York City. Associated with Fabens and Cazneau in thisenterprise was one Joseph W. Currier, who had formerly been a brigade quartermaster in the United States army. Currier was a man of very sanguine temperament, a born speculator, generous and impulsive, and ready to embark in any scheme which required no investment of capital on his part. Mr. Dorrance Davis was also connected with the Great American West India Company. He was a Wall street speculator who always had a big enterprise on hand in which he wanted his wealthy friends to invest their surplus capital. He could persuade a man into an investment in spite of himself ; he could live more sumptuously and elegantly on a smaller amount of capital than any man on the street. As a financier he was exactly what the Great American West India Company needed, for he could flood the market with stock of a doubtful character where other men would fail, He seems to have succeeded in placing quite a

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quantity of the stock of that company, and to have obtained sufficient money from confiding capitalists to enable himself, Cazneau, Fabens and Currier, to live in fine style for several months. The company had its officer at No. 5 Pine street, New York City, Its capital was $1,000,000, divided into shares of $50.00 each. The offices were fitted up in fine style, with desks and counters of black walnut, highly finished and surmounted with wire grating; the walls and ceilings were painted in delicious coloring with gilt bordering ; the floors were covered with the finest carpets, and there was an ornamental rail to keep the customers at a respectful distance from the great officials. Then there was an inner room gorgeously furnished and set apart for the president. Another less sumptuous was used by the directors. The secretary and treasurer also had rooms elegantly fitted up for the prosecution of private business. Samples of copper ore, cotton, sugar, coffee, and San Domingo rum, were conspicuously displayed. Attractive prospectusses were issued in great numbers, informing the philanthropic capitalists of India and the North generally that the Great American West India Company was about to provide homes and employment for thousands upon thousands of African freedmen and by their labor to regenerate San Domingo, and make its deserted wilds bloom and blossom like a second earthly paradise. With a rich soil and genial climate, and wonderful resources of every kind, the Island of San Domingo would afford employment for hundreds of thousands of the late Southern slaves and the way would be opened by this enterprise for the regeneration at no distant day of all the West India Islands, whose acquisition by the United States would only be a question of time.

WHAT THEY WERE GOING TO DO.

Among other things, the Great American West India Company was to establish the San Domingo National Bank with a capital of $2,000,000, and Baez was to be the President of this institution ; Cazneau and his wife, a very shrewd, clever woman, were to manage both Baez and Cabral, a task which it was asserted he was capable of performing, although these two chiefs were continually waging war the one on the other. The United States had a coal station at St. Thomas for which it paid a modest rent. St. Thomas was also the rendezvous of Confederate blockade-runners, and the Great American West India Company wanted the United States to select a coaling station at the port of Palenque, on the south side of the island of San Domingo.

THE COLLAPSE.

On the 10th of December, 1863, Fabens, as trustee of the West India Company, made a formal tender of the harbor of this port to Hon. Gideon Welles, Secretary of the U. S. Navy, and asked that a ship be detailed to visit port Palenque, with a competent engineer to report upon the advantages it offered as a coaling station. After flourishing for about two years, the Great American West India Company closed its doors and left outside creditors and stockholders who had sunk $160,000, wondering where it had gone.

THE SAN DOMINGO COPPER COMPANY.

Two years later, the Great San Domingo Copper Company was organized and an office opened at No. 38 Broadway. The same leading spirits, Fabens, Cazneau, Currier, and the others, were found here with luxuriously furnished headquarters. They informed the world that the Great San Domingo Copper Company was an entirely new enterprise, that it comprehended among other things a long lease of the Bay of Samana, and a speedy annexation of San Domingo to the United States. Cabral, they said, had started a revolution, and the uncertainty of affairs in the island had ruined the Great American West India Company, but now there was a stable government, and the Great San Domingo Copper Company could not fail to succeed. Some gentlemen of large means invested in the stock of the Copper Company ; among others Charles Knapp, the gun-maker. George W. McLean, James R. Young, Mr. Spofford, and others. The following is one of the modest prospectuses of the enterprise issued by Fabens and Cazneau:

"San Domingo Copper Company, organized under the laws of the State of New York, in 1866. Capital, 50,000 shares at $20 each, $1,000,000.

Trustees.

Charles Knapp.
James R. Young, Secretary Chicago Northwestern Railroad Company.
Richard B. Kimball, Counsellor-at-Law, 29 William street, New York.

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George W. McLean, late of the firm of Jerome Riggs & Co.
A. T. Francis, late with the firm of Jerome Riggs & Co.
President, Charles Knapp.
Vice-President, George W. McLean.
Treasurer, James R. Young.
Secretary, William P. McCullogh.

The property owned by the Company in the Island of San Domingo, ten leagues from the City of San Domingo, and now in successful operation, consists of five mines, viz.: number 1, "Colon;" number 2, "Washington;" number 3, "Currier;" number 4, "Cazneau and Fabens;" number 5, "Americus."

Amount of money already appropriated for the working of these mines, $35,000 in the Island.

Office of the Company, 38 Broadway, New York."

AHEM!

On the 3d of December, 1866, Currier wrote to a friend in Washington, whose service the company was anxious to obtain as an agent at the National Capital, as follows: "McLean and Knapp are both sanguine of getting distinguished officials in Washington connected with us. Perhaps I may as well tell you that General Ingalls has signified his intention to become interested with us, and to bring Gens. Grant and Babcock in. There is a large amount of money in this thing. All that is needed is to have the right men connected with it and push the Samana Bay and annexation scheme. One of our party has had an interview with General Grant and Mr. Seward, and they are both in favor of our project, *especially the former*. He saw the advantages to be gained, military as well as commercial, as soon as they were presented to him."

CURRIER WRITES WELL.

Again, on December 7th, 1866, Currier wrote as follows: "Knapp telegraphs that he will be here to-morrow. He will then have a meeting at the company's office, at 12 o'clock, to devise ways and means. This will be the first regular meeting of the trustees. Three of them are new parties coming in with the old, and put in $25,000 to $30,000. McLean's party with *Ingalls, and the others*, is to make the sum up to $50,000. Knapp has great influence in Washington, as you know; entertains handsomely, and knows how to make the officials understand a thing like this. Ingalls knows the value of copper mines, as both he and Alex. Sibley own a controlling interest in the rich mines on Lake Superior. It is reported to us that both Generals Grant and Babcock are very enthusiastic on the subject. * * * General Baez, the President of the Republic of San Domingo, is here; he goes to Washington on Tuesday next to have an interview with Mr. Seward, who is as enthusiastic about San Domingo as he was about Alaska. Baez is brim full of intelligence; speaks English and French fluently. He understands the question of annexation in all its ramifications, and says we must make the thing sure through the action of Congress. He will also have an interview with Gen. Grant and Babcock. The last has been represented to us as a very active, shrewd business man. Baez is in favor of giving the United States Government all the facilities it wants for a naval station in the bay of Samana, free of rent, for ten years. He suggests also that we set apart a certain amount of shares in the 'San Domingo Copper Company' for Grant, Seward, Babcock, and their friends."

ONCE MORE.

Again, Currier writes as follows:

"CONSULDA DE LA REPUBLICA DOMINICANA,
En Nueva York, 38 Broadway.
December 21st, 1866.

Dear Sir: From the tone of your letter of yesterday, I infer that you still have a lingering doubt as to the stability of our company, and are inclined to throw cold water on our prospects, especially annexation to the United States, and importing camels from Africa to do our work at the mines. I am very sorry for this, because I had counted on your support. Let me say, now, that I do not appreciate your objections to aiding our enterprise, and think you are more captious than considerate. If Gens. Grant, Babcock, and others high in office in Washington, are so well satisfied with the real value of our prospects, and feel safe in

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lending their names and influence to carry them out, I cannot for the life of me see why you should hesitate. It was our intention to have sent 1,200 shares of the stock of the San Domingo Copper Company to you as soon as Knapp shall have signed the certificates to be distributed among officials of influence in Washington. But from the tone of your letter, I suppose we shall have to do our business through some other party.

"If your friend, Mr. Seward, does what he promised, we shall exceed our most sanguine expectations in regard to the lease of Samana Bay, and get a nice sum from the Government for it. The only thing I am afraid of is Charles Sumner's great dislike of Cazneau, which may cause him to interpose and use his influence with Seward to defeat our plans.

"As I wrote you on the 18th, Mr. Knapp has been here, put in more money, and signed the certificates, so that we have now an entire new issue. But we cannot issue these certificates until those signed by McLean are in and canceled. You ridicule the idea of sending to Africa for camels, and evidently consider it a waste of money. Our trustees do not agree with you. We have to-day chartered one brig to go to Africa for camels, and another to go to San Domingo for a cargo of copper. We shall get both off in fifteen days. Others, you see, have faith in our project, if you have not. Mr. Fabens will go to Africa by way of Europe, and will attend personally to the purchase and shipment of the camels. With these camels at work, you will see ore coming forward fast enough to satisfy even the most skeptical that we have a great thing in the San Domingo affair, and that it will be a success.

Yours very truly,

J. W. CURRIER."

COLLAPSE THE SECOND.

Baez visited Washington, was entertained by Seward and had interviews with Grant, Senator Morton, and other high officials. Fabens, with $30,000 went, to Africa by way of Europe, accompanied by Baez. A cargo of camels were purchased and shipped to San Domingo, but somehow or another the Great San Domingo Copper Company did not flourish, and by-and-by it closed its doors one morning, very much to the surprise of a number of people who had been induced to invest their surplus earnings in the purchase of its stock.

SEWARD WANTS THE EXTREMES—ALASKA AND SAN DOMINGO.

The annexation acheme had been industriously agitated during the closing period of Johnson's administration, and Cazneau had even procured himself to be nominated as a plenipotentiary on the part of the United States Government to San Domingo. Mr. Seward, then Secretary of State, appears to have been in favor of annexation, and if that failed, he wanted the United States to purchase the Bay of Samana. He had sent his son, Frederick H. Seward, with Admiral Porter in the United States Steamer Gettysburg, to negotiate for the purchase of Samana. This was during the Cabral Administration and J. Sommers Smith was then our commercial agent to the Dominican Republic. Mr. Pujol was the commissioner on the part of the Dominican Government to treat with Seward and Porter for the sale of Samana Bay, and after some time spent in negotiations, the representatives of the United States Government declined to proceed further in the matter. The difficulty then, as afterwards, when Baez had obtained possession of the Government of San Domingo, was, that they demanded as part of the consideration for the Bay of Samana, that the United States Government should guarantee protection to the party then in possession of the Dominican Government, and with whom the treaty had been made. After Baez had driven Cabral out in 1868, he renewed, through Mr. J. Sommers Smith, the proposition to annex that island, or to sell the Bay of Samana to the United States; but here again protection was made the condition precedent. This, Mr. Seward said, could not be guaranteed because it would be an act of war.

NEXT! WHO WERE IN IT.?

The failure to drive a bargain with the Johnson Administration was the cause of the bankruptcy of the great San Domingo Copper Company. But the hopes of the speculators, Fabens, Cazneau, Currier, Davis, and others, revived with the advent of the present administration, and there can be no doubt about Gens. Rufus Ingalls, Babcock and Porter, being interested, along with Fabens and Caz-

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neau, in the various grants and concessions which they had obtained in San Domingo from Baez. These speculators, now feeling confident of their ability to secure the annexation of San Domingo, undertook to play a double game. A concession was made by Baez to Mr. Edward H. Hartmont for the working of the coal mines of Samana, and to take guano from the Island of Alta Vela, in consideration for which he was to secure a loan of £420,000 sterling from the house of Lawson & Co., of London, to Baez. This concession was made May 1st, 1869, but in the mean time Fabens had a concession for a geological examination, and general mineralogical exploration of the Island, made on the 3d of July, 1868, by which he was to receive one-fifth of all the public lands. Then there was the concession to Cazneau and others through Edward Prime, for the National Bank of San Domingo, which was made July 4th, 1869; and in addition Cazneau had grants of two copper mines, and of all the valuable wharf frontage on the Bay of Samana.

The remainder of this shameful story will now be given from the official documents.

THE SENATE BEGINS.

At the second session of the 41st Congress in June, 1870, the Senate of the United States, upon the petition of one Davis Hatch, directed that a select committee of seven Senators be appointed to investigate and report thereon, with power to examine witnesses, and send for persons and papers. The petition of Mr. Hatch, dated at the Island of St. Thomas, May 13th, 1870, sets forth that he is a citizen of Connecticut; that in 1862 he became the agent of a New York company, organized to work a salt mine of Neyba, in the Island of San Domingo; that he reached the City of San Domingo on the 10th of January, 1862, while the Island was in the possession of the government of Spain; that he obtained grants for the salt mines in February, 1864; that in July, 1865, the Spanish government abandoned the country, and subsequently, five months later, after a government was organized under the Presidency of Baez, these grants were annulled, but in May, 1866, Baez being deposed and driven from the country by General José M. Cabral, who succeeded to the Presidency, the grants were reconfirmed to the company represented by Hatch; that in November, 1867, an insurrection broke out against Cabral, and lasted until February, 1868, when Baez again obtained the ascendency; that in May, 1869, the city of Barahona, where Hatch resided, was abandoned by the forces under Baez, and taken possession of by Cabral's party, who held it until the August following, when it was re-taken by Baez. Soon after this, Hatch was arrested by order of Baez, carried to the Fort of Azua, where he was arraigned before a military commander and required to give a statement respecting his intercourse with the party of Cabral, while he occupied Barahoma. From thence he was removed to San Domingo City and again re-transferred to Azua, where, on the 28th of September, thirty days after his arrest, he was presented with "an act of accusation," and brought to trial before a court-martial without being allowed time to prepare his defense, send for witnesses or for important papers not then in his possession; without counsel to defend him, he was convicted and sentenced to death. Subsequently Mr. Hatch was pardoned on condition that he immediately leave the Island, but in violation of this he was detained a prisoner until the 15th of March, 1870, when he was released upon the peremptory demand of the then U. S. Commercial Agent, Mr. Perry, backed by rear-Admiral Porter with the U. S. man-of-war Severn. For the injuries done him, Mr. Hatch claimed damages against the Dominican Republic in the sum of $50,000, and asked the intervention of the Government of the United States to aid him in obtaining that amount of damages for his alleged wrongs; and also the further sum of $8,547.12 for spoliation of his property by the army of Baez.

A SELECT COMMITTEE APPOINTED.

A select committee to inquire into this matter was, in accordance with the resolution of June 8th, 1870, appointed, composed as follows: James W. Nye, J. M. Howard, George H. Williams, Willard Warner, Carl Schurz, O. S. Ferry, and George Vickers. Previous to this, Senator Ferry, of Connecticut, had procured the passage of a resolution by the Senate calling upon the Sec. of State to furnish copies of all correspondence relating to the imprisonment of Davis Hatch by the Dominican Republic. On the 24th of February, 1870,

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Hamilton Fish transmitted to the Senate, in answer to this resolution, an expurgative copy of the correspondence above referred to. The expurgations consisted of the omission from the copy transmitted of all allusions contained in the originals to General Babcock, Cazneau, Fabens, and others. On the 26th of April, 1870, the Senate called for full and entire copies of Smith's and Perry's dispatches in regard to the imprisonment of Hatch, and they were furnished on May 6th.

THE WAY GRANT INTRODUCED BABCOCK.

General Babcock had been sent to San Domingo by President Grant in July, 1869, to arrange for the treaty of annexation, with Baez. He bore the following letter of credentials :

"*U. S. Grant, President of the United States, to his Excellency Buenaventura Baez, President of the Dominican Republic:*

GREAT AND GOOD FRIEND : Deeming it desirable to satisfy my curiosity in respect to your interesting country by obtaining information through a source upon which I rely, I have for this purpose appointed Brevet Brigadier-Gen. eral Orville E. Babcock, of the army of the United States, to proceed to the Dominican Republic in the character of a special agent. Having been one of my aides-de-camp while I commanded the armies of the United States, and having since been intrusted by me with confidential business of importance, I have entire confidence in his integrity and intelligence, and I commend him to your Excellency accordingly. Written at Washington, the 13th day of July, A. D. 1869.

Your good friend,

U. S. GRANT."

Babcock remained in San Domingo until the latter part of August, 1869, when he returned to the United States. The first letter of the then commercial agent, J. Somers Smith, to the Secretary of State in regard to the arrest and imprisonment of Mr. Hatch, was dated September 4th, 1869. The part of this letter which was omitted from the copy transmitted to the Senate, will appear by comparison of the expurgated copy with the unexpurgated one, as given below:

NOW READ.

EXPURGATED COPY.

MR. SMITH TO MR. FISH.

No. 93.] SAN DOMINGO CITY, Sep. 4, 1869.

Sir:—I consider it my duty to bring to the knowledge of the Department the critical situation of Mr. Davis Hatch, a citizen of the United States, who, it is reported, is under arrest at Barahona.

Mr. Hatch came to this country as the agent of a company consisting of Mr. Augustus Schell, and other men of standing in the city of New York, for the purpose of working the salt mountain of Neyba, and making a railroad to Barahona, to facilitate the shipment of the salt. Mr. Hatch obtained the concession from the Spanish Government, which was confirmed by the Cabral administration.

When Mr. Baez returned to power he sent for Mr. Hatch, as there had previously existed an unfriendly feeling. Mr. Hatch was brought by force on board a man-of-war to this capitol; but, on my representation, the difficulty between himself and the President was arranged amicably, and Mr. Hatch was allowed to return to Barahona. Some time since, Barahona was taken by the revolutionary party, and they held it some months ; it was re-taken some three weeks ago, and it was rumored that Mr. Hatch had been arrested I called at once on President Baez, who confirmed the rumor, and said that charges had been preferred against him, and, at my request, I was promised a copy of said charges as soon as received by the Government. Some two weeks having elapsed without

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my hearing further, I called, on the 29th August, again on the President, and he informed me that he had given orders to send up Mr Hatch to this city; but as he has not yet arrived, I feel great anxiety as to his actual position.

* * * * * * * *

Mr. Hatch is a highly respectable gentleman, and as I have not heard from him for over four months, notwithstanding that Barahona is within *twelve hours'* sail of this city, I deem it my imperative duty to report the affair for the consideration of my Government.

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On the 31st ultimo the United States ship Tuscarora arrived from Key West, when Commander Queen called on me. I handed him a memorandum regarding Mr. Hatch, and expressed my desire that he would proceed to Barahona to see Mr. Hatch, and learn the particulars of his case. The commander informed me that, notwithstanding his willingness to comply with my request, he was powerless to act in the matter, as his instructions placed the ship at the disposal of General Babcock. On my communicating with General Babcock, he did not seem disposed to co-operate, appearing not to regard the case in as serious a light as I do, from my knowledge of the Dominican character. It is unfortunate for Mr. Hatch that since General Babcock has been in close companionship with Mr. Cazneau, who is an enemy of Mr. Hatch; as he, Mr. Hatch, furnished the information which caused the rejection of Cazneau by the Senate, some three years ago, when his name was sent in for a position in this country.

The Captain and officers of the Tuscarora were introduced to the President by General Babcock. I was not invited to accompany them, which appeared to me as a want of courtesy on the part of the General.

Mr. Hatch is a highly respectable gentleman, and as I have not heard from him for over four months, notwithstanding that Barahona is within *twelve hours'* sail of this city, I deem it my imperative duty to report the affair for the consideration of my Government.

AGAIN.

EXPURGATED.

MR. SMITH TO MR. FISH.

No. 96.] SAN DOMINGO CITY, Oct. 8, 1869.

Sir:—In my dispatch No. 94, I informed the Department of the arrest of Mr. Davis Hatch, a citizen of the United States, at Barahona, and that he had been taken to Azua for trial, on charges of aiding the revolutionary party. On the 12th ultimo Mr. Hatch was brought to this city in the schooner-of-war Alta Gracia, and, although sick at the time, was locked up in prison, and *incommunicated* for forty-eight hours. I was present at his examination by the authorities, and in his answers to the interrogatories he denied having ever in any way interfered in the revolutionary struggle at present going on in this republic. On the 18th ultimo he was again placed on board the Alta Gracia and conveyed to Azua, where he has been tried by a court-martial, and on the 2d inst. he was condemned to be shot. The sentence was immediately forwarded by express to the President, who referred it to the Senatus Consultum, and that body decided to pardon Mr. Hatch, and an order from the Government to that effect was sent to Azua, and, I understand, he is at liberty and will receive his passport.

Mr. Hatch informed me while here that, on the re-occupation of Barahona by the Government troops, his store was twice pillaged, and when he was compelled to leave he abandoned a valuable cargo of wood prepared for shipment; likewise other properties and effects. I am promised by the Government a copy of the proceedings, and until I examine the testimony I cannot give an opinion. Mr. Hatch assured me that his accusers were men of the very lowest order, and not entitled to the least credit. As soon as I am furnished with a full

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report of the trial, I shall forward it to the Department.

Mr. Hatch was certainly placed in a very embarrassing position at Barahona, as the place was occupied first by one party and then by the other. The Cabralistas were in possession near three months, and, as the residence of Mr. Hatch was the only decent house in the town, the leaders of both belligerent parties occupied it at their pleasure, with or without license. Under such peculiar and compulsory circumstances, great allowances should have been made, and I consider the death sentence a most cruel and barbarous stretch of power; it evinced a determination to punish Mr. Hatch to the last extremity, and, if possible, to break him down physically and mentally. When it is considered that Mr. Hatch is fifty-seven years old, and also his respectability in the United States, a member of Dr. Tyng's Church (St. George's), and, I believe, formerly a vestryman, his sufferings have been enough to impair both body and mind of most men. * * * * * *

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On the return of the Tuscarora from Tortola, Captain Queen told me that there was no necessity in my taking any steps to assist Mr. Hatch, as General Babcock had carried to President Grant, in black and white, proof of his guilt. I replied to Captain Queen that I disregarded all ex parte statements, and should investigate the affair when the testimony was submitted. I cannot but express my reprobation at the interference of certain Americans in using their influence to place in jeopardy the life of a fellow-countryman. National feelings alone would induce most men to stand by him, and if they could not assist or extricate him from a grave dilemma, to at least abstain, both in word and deed, from participating with his enemies, or contributing in any way whatever to prejudice his case. Had Captain Queen been untrammeled on his arrival in the Tuscarora, I would have called with him formally on the President, and I am confident that on our joint representation the process against Mr. Hatch would have been discontinued, and he would only have been requested to leave the country. Thus the ignominy which has been cast on him would have been avoided; but the Tuscarora was under the orders of General Babcock.

ONCE MORE.

EXPURGATED LETTER.

MR. PERRY TO MR. FISH.

SAN DOMINGO CITY, February 8, 1870.

Sir:—Your communications of January 7, October 28, December 11, January 15, and January 12, arrived by the Tybee on the 5th of this month. She leaves for New York to-morrow at 7 A. M. The communications relating to Davis Hatch, now confined at Azua, have been attended to. I wrote M. M. Gautier, the Secretary of State, and he replied in a very unsatisfactory manner; a copy of both communications I inclose to you. He also sent a copy of the process against Hatch, but it arrived too late this evening for me to send a translation by this mail. I have requested the release of Mr. Hatch several times since my arrival, and the Government promised to comply with my request, but they have kept their word no better in this matter than in many others.

* * * * * *

UNEXPURGATED LETTER.

MR. PERRY TO MR. FISH.

SAN DOMINGO CITY, February 6, 1870.

Sir: Your communications of January 7, October 28, December 11, January 15, and January 12, arrived by the Tybee on the 5th of this month. She leaves for New York to-morrow at 7 A. M. The communications relating to Davis Hatch, now confined at Azua, have been attended to. I wrote M. M. Gautier, the Secretary of State, and he replied in a very unsatisfactory manner; a copy of both communications I inclose to you. He also sent a copy of the process against Hatch, but it arrived too late this evening for me to send a translation by this mail. I have requested the release of Mr. Hatch several times since my arrival, and the Government promised to comply with my request, but they have kept their word no better in this matter than in many others.

I do not like to express my opinion too freely, and would not, but from a sense of duty. Cazneau and Fabens have used their influence to keep him where he is for certain selfish and financial reasons known to themselves, and President Baez is only too willing to be influenced by them.

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These two men are the individuals of whom I have previously hinted as being connected with General Babcock in his negotiation for Samana Bay, &c. They receive private letters from the Executive Mansion at Washington, which they display here. President Baez has intimated to Captain Bunce (of the Nantasket) and myself that he will not have an election taken for annexation until after our Government has acted upon this matter, and daily remarks that the United States Government has not kept its promises to send men-of-war to their coast; he seems very timid, and lacks energy.

I write thus plainly because I do not think the Dominican Government is acting honorably in this matter, and it is time the Department knew how matters stand. I have thought what I have now written for some time, but I supposed it was perhaps prejudice.

Since the return of the Nantasket from Azua, where she went with President Baez and several of his cabinet, I have had an interview with Captain Bunce, and he is of the same opinion as myself in regard to matters here, and told me he should express himself thus to the Navy Department.

I inclose quarterly returns, and will forward quarterly accounts by next mail.

I am, sir, most respectfully your obedient servant,

RAYMOND H. PERRY,

United States Commercial Agent.

WHAT MAJOR PERRY SAID.

On June 9, 1870, Raymond H. Perry, who had succeeded J. Somers Smith as commercial agent to San Domingo, was examined by the Select Committee of the Senate and his testimony was merely an elaboration of the following statement which he had previously submitted to the Secretary of the State. He says: "I have had no other motives, while holding the position as plenipotentiary and United States commercial agent at San Domingo, than to carry out the wishes of my Government and the policy of President Grant, free from any motives of self-interest and the influence of influential friends, and have endeavored to act honorably and justly in my intercourse with my Government and that of San Domingo, but I regret to say that I have not received in return the same spirit of frankness and honesty of purpose. Having had conversation to-day with Senators and others, all friends to President Grant, and having unwillingly heard conversation both here and in San Domingo, that President Grant might be knowing to all the facts connected with this annexation movement, I deem it now my duty to inform the Department all I know in relation to this case, as I am positive that President Grant is not aware of the true history of this annexation movement, or the false character of the men he (or General Babcock) has employed in bringing it to a successful issue. I have written, both the State Department and General Babcock of the reputation of these men *more than once*. If you remember, I was not desirous of going on this mission to San Domingo, and so expressed myself to you, and at the Executive Mansion. I went with everything involved in mystery, with letters from General Babcock to (as he expressed them) his friends, Cazneau, Fabens and Spofford, Tileston & Co., and others, who I was advised to advise with, and that Cazneau and himself had J. S. Smith, ex-commercial agent, relieved, as he was not friendly with Cazneau and Fabens for annexation of the island to the United States. You will, perhaps, remember telling me to write everything to the Department; I endeavored to do so, and it was my wish to do so; but had I written fully the manner in which this whole movement was being conducted, I feared the Government would not be able to carry out the plan of annexation. I was also advised by Generals Babcock and Ingalls, Cazneau, Baez and others, to write nothing personal, and always speak encouragingly in my communications. I have also had directions from several others what my correspondence should be to the Department of State at Washington, and have been requested to keep back facts in relation to the election, and Cabral's party, and the discontent of the people of the island. No man

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can serve two masters. So I held myself responsible to the State Department, and by so doing have displeased these and other gentlemen. I sailed on the Steamer Tybee on the third day of November, 1869, for San Domingo, and met on the voyage Mr. Fabens, who was full of his accounts of the rascality of Mr. Hatch, and expressed a wish I should not release him on my arrival at San Domingo, as he was an enemy to Baez and annexation, and also to himself and Cazneau; and that he (Fabens) and his friend Cazneau, as he represented, a man of great wealth and influence in San Domingo and at Washington, would indorse me; that I had a great opportunity for making a rapid fortune, &c. On my arrival at San Domingo I called upon President Baez and Cazneau and others; all appeared glad to see me. I relieved Mr. Smith on the sixteenth day of November, 1869, who gave me a brief history of affairs: First, that Cazneau was running the whole thing, that is the Dominican Government, and represented a large portion of the public lands of the island for parties in New York City; that he was a very bitter confederate during the war; was from Texas; and now, apparently a strong Grant man; and that he represented that he was a special agent of the United States, and in direct correspondence with President Grant. This Mr. Cazneau told me himself, and that I was very fortunate to be sent to San Domingo at this time; he could insure me a fine plantation, and opportunities to handle money for men in New York City whom he knew, and would introduce me to them.

HOW INTERESTING ALL THIS IS.

"(This is an old game of his, as some unfortunates in New York City can testify.) I told him I was after a reputation, not money, and several times found it necessary to make Baez and Cazneau this same remark, and that if they would give me two hundred and fifty mounted men I would contract to do all the fighting on the island, and capture Cabral and Luperon, and resign my position as commercial agent at once. But this was not what they wanted, as I have since learned; it was their plan to keep Cabral on the frontier, so as to keep the Dominican people under arms, as Baez could more readily handle them when organized under his generals, who are his brothers and connections, or held to him by some strong influence. The morning of the 18th of November, 1869, while at breakfast with Mr. Prime, Fabens, and others at the hotel, Fabens remarked that a man-of-war would be in that day with General Babcock on board. Within two hours after that remark, one was signaled at sea. She was soon at anchor. I received a note from General Babcock requesting me to come on board and bring Colonel Fabens. I went immediately on board (Fabens could not be found) and met Generals Babcock, Sackett and Ingalls. General Babcock then showed me the treaty and my commission from President Grant to negotiate the same. General Babcock told me he had full directions from the President; but, holding a commission in the army, as he did, he could not sign the treaty, so I had been commissioned to do so. Generals Babcock, Sackett and Ingalls came on shore the next morning and called upon President Baez, Cazneau and Fabens being present. The above-named gentlemen were present every day during the negotiations, excepting Ingalls. On the next day they called again; when the treaty was read Cazneau proposed to draw up two separate papers, one to place before the people of San Domingo, to control the elections, the other before the United States Government, to keep them quiet. This was approved by Baez and Mr. Delmonte, who remarked that it would influence and hasten the election in San Domingo. I protested against this to Gen. Babcock, and remarked to him we had no right to deceive the Dominican people. General Babcock also protested against this, and said it would place Grant in a wrong position. Baez and Delmonte said it was only a fiction, and if they did not succeed in the vote for annexation, and our Government did not accept them, that it would cost them their lives. During the whole of this time these plans were kept a secret from the United States and Dominican Government, or rather the people. General Babcock often told me that I must stand by Cazneau and Fabens, and advise with them; that they represented large interests on the island; that he had large interests with them. Cazneau also told me that Babcock and Ingalls had interests in real estate with him, and that he, Fabens, and his friends in New York had originated the idea of annexation. I told Babcock one day in my office, in San Domingo, that I thought there was foul play somewhere, and told him I did not like the action or propositions of Cazneau, Fabens, Baez, and others, and that I thought I was the wrong man in

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San Domingo at that time, and also asked if he, Babcock, had known these men long, and why it was they did not want Hatch released. Babcock told me I must not attempt to release him; that he would work against the treaty, and that he was an enemy to Caznean, Fabens, and Baez. I will state here that I do not blame him for being so, as he had been most foully dealt with by these men, and I was of his opinion before I ever saw him (Hatch). I formed my opinion from facts in his case and other cases in San Domingo. Both his friends and enemies condemn the way he has been treated.

HERE COMES BABCOCK AGAIN.

"I told Babcock that Hatch was a mere political prisoner; that he had assisted both parties; and suffered from both parties, and that both parties, Baez and Cabral, had been equally strong, and had many friends then on the island, but the war was now over and I did not think it right to keep him in prison after he had been ordered to be banished from the island; and that it was all through the influence of Cazneau and his friends that he was detained; and that the last time he (Babcock) was in San Domingo he had an American sailor released who had murdered another American; that Cazneau and Fabens were having Dominicans, guilty of murder and political offenses, released through Baez; and that Baez had promised me the release of Hatch when I first came to the island, and I did not like the way things were working. He (Babcock) then remarked, "Wait until I leave the island before you say anything more about it." I asked Babcock the day the treaty was signed if he had the letter from Baez to our Government, or rather to Hartmont, refusing further advances on the loan, and a copy of the public debt of the island, for in the original orders from the State Department it specified that such papers should be furnished to us before signing the treaty. He told me he had not obtained it. I have never seen either of such papers, and have asked for a copy of both several times of the Dominican Government. They either have not got them or do not wish to give them to me. I have been assured by men who should know, in San Domingo, that there is no reliable account of the debt of San Domingo.

NO TIME LOST.

"The night the Albany sailed with General Babcock from Samana for San Domingo, Fabens and Cazneau brought in a paper for lands at Samana; they wished me to certify to their signature as correct. I did so, at the same time remarking that they were commencing business very soon, as the treaty was signed that day. They asked me to say nothing about it. Fabens and all hands sailed on the Albany that night for Samana, where Fabens was left as agent of the United States, in charge of the flag and naval coal-yard, where he is receiving lumber and goods free of all port charges, representing them as Government property, underselling all others engaged in business at Samana. Americans and Dominicans at Samana have complained about this and other matters to me.

WHAT BAEZ DID.

"The first thirty days of the time allotted for Baez to obtain the vote of the people was lost in waiting for the protection of the United States men-of-war, as Baez told me he could not move in this matter until they arrived; and also told me that he had been told by the French and Spaniards, who are his friends, and the English Government, that the United States would not annex the island; he also told me that he would not have a vote taken until the United States Senate had indorsed the action of President Grant. Baez told Captain Bunce the same thing, and he told me he had written these facts to the Navy Department. Three days after the departure of the Albany, Baez read the treaty to the French Consul in his sleeping-room. I saw him in the act, and when I came into the room they made an attempt to conceal the papers. All of these proceedings were to have been kept secret. I mention this to show the character of this man, and to warn my Government against his double dealings, for he has his people and the island for sale, and is trading it with the United States, England and France. I saw letters from Fabens to Spofford, Tileston & Co., giving them the full history of the treaty.

THE LUCKY FABENS.

Spofford, Tileston & Co. are the agents of the English loan, and Fabens is their agent and spy in San Domingo. Babcock appoints this man, also,

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United States agent at Samana, and then writes to Baez to have him also sent to Washington as plenipotentiary; so he, Fabens, holds three positions in three conflicting interests at once. His accomplice, Cazneau, lays out the work on the island, and Fabens does the traveling and the go-betweens. I called upon Mr. Cazneau, and told him I did not think Baez would have a vote for annexation until the United States Senate had acted upon the question, as Baez had that moment expressed himself thus to me, and also to Captain Bunce, United States Navy. Cazneau became very much excited—told me he held Baez between his thumb and finger, and that he could compel him to have the vote at once, and immediately took his hat and went to the house of Baez. What took place I do not know, at the house; but four days after this I saw a band of music in the streets, and heard that the voting for annexation was to commence that day. * * * * * * * * * *

ANNEXATION.

The whole question of annexation has been carried on between Cazneau, Fabens, Babcock, Spofford, Tileston & Co., and others in New York City, and urged on by Hartmont, agent of the English loan, and his agents' Spofford & Co.. and their agent, Fabens, as they wished to get their $250,000 back, and also damages, if they can, against the United States for steps the United States Government has taken in this matter.

"Hartmont told me at President Baez's house in San Domingo that he could and should hold the United States for damages for the action they had taken; that he had all the money Baez wanted, and that was called for on his loan. I told him he did not have it when Baez wanted it, and when it was due. He then asked me if there was no way to obtain satisfaction from the press of the United States for the way they had used his name, saying he was in prison, etc. I told him the press of the United States handled any one rough that mixed up with political or national affairs, and the higher he placed his damages, the more abuse he would get from them. This is all the conversation I have had with this man, except a few words at Spofford & Tileston's office, as I came through New York, where I met him, and he wished to know more than I knew, or more than I wished to inform him.

THE PROFFERED BRIBE.

"Baez told me he could get all the money he wanted, and proposed, in presence of Delmonte, to deposit $100,000 that he was to get from Hartmont in my house in San Domingo City, I told him he could not take it from Hartmont. Whether this was done to try me, I do not know, or for what purpose I do not know, but such was the fact and his proposition. I spoke of this at the time to my friend, Mr. Edward Prime, National Bank of San Domingo, and also to Mr. John Scott, who is in business at San Domingo.

PERRY'S PROTESTS.

I also protested against the arms, ammunition, and money being landed on the island that were sent to San Domingo on the Tybee by Hartmont through his agents, Spofford & Tileston, by request of Fabens, agent for the English loan, agent for the United States, and also agent and plenipotentiary for San Domingo. I also protested against grants and concessions of lands, all of which correspondence you have in the State Department."

It will be noticed in the above that Mr. Perry speaks of Babcock's second visit to San Domingo. On his return from San Domingo, Babcock took out full powers for negotiating a treaty for the purchase of Samana Bay, and the annexation of San Domingo. He also carried with him $100,000 in gold to pay down to bind the bargain for the purchase of Samana, and at the same time $50,000 worth of arms was sent out by Spofford, Tileston & Co., who received pay for the same from the United States Government, the gold and the arms making the $150,000 which was required to be paid as the first installment of the purchase money for Samana.

BABCOCK'S TREATY.

While on this second visit to San Domingo, Babcock negotiated the treaty for the annexation of the island, and the following is the original protocol signed by him and Mr. Gautier, Baez's Secretary of State:

"The following bases, which shall serve for framing a definitive treaty between

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the United States and the Dominican Republic, have been reduced to writing and agreed upon by General Orville E. Babcock, aide-de-camp to his Excellency, General Ulysses S. Grant, President of the United States of America, and his special agent to the Dominican Republic, and Mr. Manuel Maria Gautier, Secretary of State of the Departments of the Interior and of Police, with the foreign relations of the said Dominican Republic:

"I. His Excellency General Grant, President of the United States, promises, privately, to use all his influence, in order that the idea of annexing the Dominican Republic to the United States may acquire such a degree of popularity among members of Congress as will be necessary for its accomplishment; and he offers to make no communication to that body on the subject until he shall be certain that it will be approved by a majority. The acceptance of annexation will oblige the United States to pay to the Dominican Republic the sum of one million five hundred thousand dollars in coin ($1,500,000), in order that the Republic may, as a State, pay its public debt, which is estimated at the sum of one million five hundred thousand dollars in coin ($1,500,000); and the Dominican Republic, on its part, agrees to conform its constitution to those of other States of the Union. In the event that the Dominican public debt should exceed one million five hundred thousand dollars in coin ($1,500,000), the excess shall be charged to the Dominican State.

"II. In case the North American Congress shall reject the proposition for annexation, the Dominican Government would accept, as the price of the sale of Samana, the two millions of dollars in coin ($2,000,000), which the same Government of the United States offered it under the administration of President Johnson.

"III. His Excellency President Grant assumes the obligation to remit forthwith to the Dominican Government the sum of one hundred and fifty thousand dollars in coin ($150.000), one hundred thousand dollars to be in cash, and fifty thousand in arms, for the purpose of aiding in defraying the unavoidable expenses of the State. Credit shall be allowed for this amount, either on account of that which will be payable in the event of an acceptance of annexation or of a preference for the acquisition of Samana.

"IV. In either case the United States will guarantee the safety of the country, and of the Government, against every foreign aggression or machination, in order that the present Cabinet may carry into effect the obligation which it contracts, to obtain from the people the expression of the national consent, which will necessarily have to be carried into effect within four months from the acceptance of the idea of annexation by President Grant.

"V. It is understood by both parties that, if neither of the bases referred to shall be carried into effect, they shall be regarded as null and of no value or force, and that they shall, throughout all time, preserve their character of inviolable secrecy; but if one of the two extremes which they embrace shall be accepted (annexation of the Republic to the United States, or the cession of Samana), their tenor shall be obligatory for both parties, and shall be embraced without change in the definitive treaty.

"VI. In case the proposition relative to Samana should alone be accepted by the United States, and the sum of one hundred thousand hard dollars should be remitted to this capital of San Domingo, as provided in Article 3, the Dominican Government will abstain from receiving it until the Senate shall have approved the bargain, for which purpose it engages to submit that question, and to solicit the said approval as soon as the said sum may arrive.

"Done in duplicate, in good faith, in the City of San Domingo, the fourth day of the month of September, in the year of our Lord one thousand eight hundred and sixty-nine.

"ORVILLE E. BABCOCK,
"MANUEL MARIA GAUTIER."

The charge which Mr. Perry makes that Cazneau was trying to prevent the release of Hatch is sustained by the following extract of a letter written by Cazneau February 17th, 1870, to Gen. Babcock: "As you must have observed, before you left, Perry cannot discriminate between those minor matters which will bear postponement and the higher necessities which cannot wait. His ruling idea now is to obtain the liberation of Mr. Davis Hatch, convicted and notoriously guilty of complicity with Cabral and the Cacos, of Hayti, in their attempted overthrow of Baez. Hatch is known to correspond with the New York *Times*

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and other papers opposed to annexation, and *this Government is resolved to keep him within safe limits until the cause shall be placed beyond the reach of such attacks.*"

BABCOCK WILL WRITE LETTERS.

That Babcock was on the most intimate terms with Cazneau is proved by the following extract of a letter written to Perry under date of March 30, 1870, "I saw a letter from O'Sullivan before I saw yours, in which he said you and General C. had some difficulty. General Cazneau told me in a letter that he regretted that he had had a difficulty with you, but spoke in the kindest terms of you, as a true gentleman, &c. I only mention this to show you that he has not been complaining of any ill-treatment with you. You will remember what I told you when I gave you a letter of introduction, and I have yet to know personally of any act of bad faith on his part. This is of no account. The few Americans there should unite in the one great object, namely, securing to our Government the valuable foothold in the West Indies. You will remember that I had to write through General C. when Smith was counsel."

As an abundant caution to Perry, Babcock concluded his letter as follows: "May I request that you do not put any private matter with official, for they have to be shown if the information is used."

That Gen. Rufus Ingalls was a party to the annexation job is proven by the following extract from a letter written by him to Perry under date March 31, 1870. "Babcock sends letters to yourself and Fabens. If the Tybee does not touch at Samana, Fabens's letter must be given to General Cazneau. Please see to it.

"The Senate has been debating the treaty pretty sharply, but it will be confirmed shortly. This treaty *will* be ratified. The people must have patience. The subject was rather new here among the politicians, and they require time for information. Be careful to cultivate the idea of final annexation. Do not write, speak or think otherwise. Be careful to mix no private or unofficial letters in your official correspondence. Be encouraging in all your letters."

That the only object which Baez had in detaining Hatch was to prevent him from opposing annexation is proved by the following extract from a letter written on February 19, 1870, by Gautier, Baez's Minister of Foreign Affairs, to Mr. Perry:

"I desire that you will be good enough to assure his Excellency the Secretary of State in Washington that the prolonged sojourn of Mr. Hatch here has been only to prevent his hostile action in New York, assuring him, at the same time, that if this reason will not satisfy him, and that should he insist on his (Hatch) being permitted to go, the Government, which has had no other aim than that of preventing falsehood and the misleading of public opinion in the United States, will be very glad to satisfy his wishes."

ROBESON'S ORDERS.

When Babcock first visited Samana he carried with him, as he admits, the following commands from the Secretary of the Navy to Commander E. K. Owen:

"NAVY DEPARTMENT, July 13, 1869.

"SIR:—You will remain at Samana, or on the coast of San Domingo, while General Babcock is there, and give him the moral support of your guns.

"General Babcock goes out in the Tybee, with instructions from the President, which you will afford him every facility to carry out. If it is not possible to accompany the prize home; in case you capture the Telegraph, you will put a prize crew on board of her, with your marines, and send her to Baltimore, as before directed, remaining yourself with General Babcock.

"In case you fall in with the Nipsic, or any other vessels of war, you will direct the commander to accompany General Babcock, and proceed yourself to carry out your original orders.

"The Tybee will carry out three hundred tons of coal for you, which you will use either for your own ship or for the prize.

"I desire that you should extend every attention and facility to General Babcock while in the execution of his present duty.

"Very respectfully,

"GEO. M. ROBESON,

"*Secretary of the Navy.*

"Commander E. K. OWEN,

"Commanding United States Steamer Seminole."

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The original orders to which Mr. Robeson refers in the above letter, are as follows:

"NAVY DEPARTMENT, July 10, 1869.

"SIR:—You will proceed without delay to the Bay of Samana, in the Island of San Domingo, and ascertain if there is a steamer there present named the Telegraph, under the command of one Luperon, or officers of his. This vessel has been interfering with American commerce, and sailing on the *high seas* without legal authority. You are directed to seize her and bring her into the port of Baltimore. You will stop at no other American port unless compelled to do so by stress of weather. You will be particular to bring with the vessel the officers and crew, and all papers found on board. Transfer a sufficient number of the prisoners to your own vessel, to prevent recapture. Keep the captured steamer in sight of you, and under your guns on the way home.

"Two engineers, in addition to the complement of your vessel, will be ordered, and four extra firemen and six coal-heavers, to work the prize home.

"If you do not find the vessel alluded to in Samana Bay, search for her along the coast until you find her. If she has fallen into the hands of the Dominican Government, or into the hands of a United States, or English cruiser, you will touch at the several Dominican ports on your way to Key West, where you will proceed to report to Rear-Admiral H. K. Hoff for duty in the North Atlantic squadron under his command.

"Very respectfully,
"GEO. M. ROBESON,
"*Secretary of the Navy.*

"Commander E. K. OWEN,
"Commanding United Steamer Seminole, Hampton Roads, Virginia."

This steamer Telegraph, which Robeson sent a United States ship of war cruising for, was a little vessel which belonged to Cabral, and had been employed by him to aid in the capture of Samana from Baez. Before Commander Owen, with the United States Seminole, reached San Domingo, the Telegraph had been seized by a British consul, and, after a full examination of the subject, the British consul decided that she was not a pirate, and had not been sailing on the "high seas" without authority; and thereupon she was surrendered to her owners.

But Robeson was so determined that this little war ship of Cabral's should be captured that he directed another vessel of war to be dispatched to San Domingo, and placed under Babcock's orders. This order was telegraphed to Key West, and is as follows:

"NAVY DEPARTMENT, August 23, 1869.

"Commander W. W. QUEEN,
"Senior Officer U. S. N., Key West, Florida:

"Direct a vessel to proceed, without a moment's delay, to San Domingo City, to be placed at the disposal of General Babcock, while on that coast. If not at San Domingo City, to find him."

Commander Queen immediately sailed in the Tuscarora, and when he reached San Domingo, as will be observed from the communication of Commercial Agent Smith to the State Department, he was sent cruising after the little Telegraph; and so important did Babcock consider the capture of this vessel that he would not allow Queen to touch at Barahona, and inquire after Mr. Hatch, as Smith wanted him to do.

When Commander Queen reported to Babcock, at San Domingo, with the steamer Tuscarora, he was instructed by Babcock to proceed to the Island of St. Thomas, and investigate the matter of the release of the "Telegraph," and if he had reason to suspect that she had been allowed to go to sea without proper guarantees, he was to seize her, and dispose of her as directed by the Secretary of the Navy. He was also to instruct the United States Consul at St. Thomas that it was the wish of President Grant that the kindest relations should exist between our Government and the Republic of San Domingo; and, after performing these duties, he was to return to San Domingo and communicate whatever information he had to Baez, through Cazneau.

PERRY DEMOLISHES BABCOCK.

As has already been seen, the statement of Perry to Secretary Fish, quoted at length above, that he had repeatedly informed the Department of his suspicions

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in regard to the connection between Babcock, Cazneau and Fabens, is sustained by his dispatch of February 8, 1870. We propose, however, to quote still further from Mr. Perry's communications to the State Department. On February 30th, 1870, in a dispatch to the Secretary of State, he said: "During my official duties at this place I have come in contact with Mr. Cazneau and Mr. Fabens, who are acting in connection with General Babcock. The former represents himself as the special and confidential agent of the Government, and makes his boast that he is in direct communication with the President of the United States. The letters he receives from the Executive Mansion he uses as capital for himself and friends. I have found it necessary to tell this man, in presence of President Baez and his cabinet, that he was a trickster and a dishonest man."

Again, April 16, 1870, he writes to Secretary Fish as follows: "President Baez has this moment informed me that Col. Fabens sails on the steamer Tybee to-morrow morning for Washington, at the request of two *Generals in Washington and Mr. Cazneau* to negotiate a loan for this Government on securities of public property of this Government, and to relieve Mr. Cohen in Washington, the bearer of the returns of the election for annexation."

On May 14th, 1870, Mr. Perry wrote as follows to Secretary Fish: "Sir: In conversation with President Baez the other day, that gentleman, among other things, told me that Mr. J. W. Fabens was about proceeding to Washington as Minister Plenipotentiary of the Dominican Republic, and that he, Baez, was forced to this action by the request of General O. E. Babcock and William L. Cazneau. Later in the day I met Mr. Fabens who gave me the same information; and it is right to add that this step on the part of President Baez suprised every one in San Domingo, and created a most unfavorable impression among all classes of people there, and especially the friends of annexation. These two individuals, Cazneau and Fabens, are in very bad repute in a country where they are well known. It is unfortunate that such men should be connected in any way with the treaty, but the government of President Baez yielded to the urgent demand from Washington more particularly since Fabens gave out that he had received a letter from the Hon. Charles Sumner, in which he, Fabens, declared that that gentleman pledged himself to go for San Domingo."

CONDEMNED BY HIS OWN WORDS.

We will now proceed to show by the evidence of General Babcock that the statements concerning him made by Perry are substantially true. In the first place he admits that in an interview he had with Mr. Perry at the time the latter was appointed commercial agent to San Domingo he believed Mr. Hatch was guilty of the crimes charged against him by Baez. (See page 42 of the evidence.) Again he admits that Fabens accompanied him to San Domingo in a steamer furnished for the purpose by Spofford, Tileston & Co.; that Fabens and Cazneau were with him during his first visit to San Domingo, and that Cazneau acted as his interpreter; that he gave Perry letters of introduction to Fabens and Cazneau; that he accepted the statement of Cazneau about the then commercial agent J. Somers Smith being opposed to annexation; that Smith called his attention to the imprisonment of Hatch, and that he, Babcock, on being informed by President Baez that Hatch was aiding Cabral, concluded not to ask for his release; that he simply told Baez he must be very careful to have positive proof against Hatch; that in that case he did not suppose the United States would interfere. (See pages 36 and 37.) He also admits that Fabens came to Washington and had interviews with himself and the President in regard to the annexation scheme. (Page 38.) He further corroborates Perry by admitting that Cazneau and Baez did suggest the making of two treaties. (Page 43.) He also admitted that he gave Perry a letter of introduction to Spofford, Tileston & Co., and said his "object in so doing was the hope that this firm would extend to Perry the courtesies of their steamship line to San Domingo." (See page 43.) He also admits that at the time he was declining to interfere in behalf of Hatch he had used his influence with Baez to procure the release of a sailor who had committed a murder (page 113). He admits, also, that he had placed Fabens in charge of the American Flag at Samana, and that, at his suggestion, the Secretary of the Navy consigned coal to Fabens intended for the use of our steamers (page 115). Also that Cozneau was in correspondence with the President through him, Babcock (page 115). He also admits that Secretary Fish had no confidence in Cozneau (page 116); and that he told Perry that he should not have protested

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against the receipt of arms sent Baez by Spofford, Tileston & Co. (page 115); also that he knew that Spofford, Tileston & Co. were the agents of Mr. Hartmont, who was negotiating a loan for Baez, with Lawson & Co., of London (page 118). He also admits that he told the President that Mr. Hatch was guilty and that he ought not to be released (page 118). The evidence of J. Somers Smith is also corroborated by Perry, and makes it clear that Babcock declined to have anything to do with Mr. Hatch's case.

The evidence given above establishes clearly,

First: That the administration in Washington was aware of the intimate relations which existed between Babcock, Cazneau and Fabens, and that the two latter were adventurers and unscrupulous speculators, and largely interested in the grants and concessions obtained from Baez, which would only be valuable after the island had been annexed to the United States.

Second: That the Secretary of State when the Senate called for copies of the dispatches from our commercial agents at San Domingo relative to the arrest, trial, and detention of Mr. Hatch, suppressed all that part of the correspondence which reflected upon Babcock, Cozneau and Fabens.

Third: That the proceedings against Hatch were outrageous in their character and demanded the prompt interference of our Government.

Fourth: That the Dominican Government, in official communications to Secretary Fish, gave as a reason for the detention of Hatch that he would, if released, oppose annexation, and might create public opinion in the United States unfavorable to that scheme; and further, that the State Department did not rebuke the Dominican Government for this infamous justification of their outrage upon an American citizen.

AN ASTOUNDING REPORT FROM A SENATE COMMITTEE.

But what is more astounding is, that a Committee of the U. S. Senate should declare that in their opinion, the detention of Mr. Hatch by the Dominican Government was justifiable under the circumstances. Their reason for this opinion they give as follows: "His pen was used, and intended to be used, to defame the character of the Government where he resided, its officers and agents, and to thwart and defeat a measure of the Government of the United States to which he owed allegiance; we do not, therefore, think the Government of the Republic chargeable with wrong doing in our sense of the term, in preventing him from gratifying his private pique and operating against a great measure favored by the Executive of the United States.

The entire report of the majority of the Senate Committee is an ingenious defense of Baez, Cazneau, Fabens and Babcock, and a cunningly constructed argument to prove that Mr. Hatch deserved even greater punishment than was inflicted upon him, and this, too, in the face of the fact that every prominent citizen of the town of Norwalk, Connecticut, Mr. Hatch's native place, certified that he bore a character, as an honorable and christian gentleman, above reproach; that among these persons thus testifying to the good character of Hatch were the Chief Justice of the State of Connecticut, the Presidents of all the banks in the town of Norwalk, the practising physicians and ministers of that place. Even Babcock himself was compelled to admit (p. 42) that "so far as the character of Mr. Hatch was concerned, I have yet to learn of anybody attacking his character as a man."

THE MINORITY REPORT.

The minority report of the Committee was written by Senator Carl Schurz, and was signed by himself, Mr. Ferry of Connecticut, and Mr. Vickers of Md. In their report the minority sum up the case against Babcock as follows: "So far then, according to General Babcock's own showing, independently of Mr. Perry's testimony, the case stands thus: General Babcock, an officer of the United States, invested with extraordinary authority, is sent to San Domingo to conclude a treaty of annexation. He is empowered to extend to the Government of the Dominican Republic the protection of our Government while that treaty is waiting for its final consummation; in fact that protection is made visible and effective by the presence of war vessels of the United States, whose guns are at the command of General Babcock. The relations he thus establishes with the Dominican Government are of such a character as to render a refusal on their part of any legitimate demand coming from him almost impossible as a matter of courtesy,

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and entirely impossible as a matter of interest. That officer finds an American citizen there, who after having been tried and pardoned, is still held in prison by the same Government which lives under the protection of American guns, and whose territory it is proposed to press under the American flag. And under such circumstances that officer declares that he now will have nothing to do with the American citizen so held in prison. He declines to speak a word for an American citizen thus outraged. and goes even so far in his neglect of the interests of his unfortunate countryman as to omit all inquiry concerning the reasons for which he is held captive, while a few minutes' investigation would have convinced him that the only thing which he considered proof of that captive's guilt did not exist on record, and that the trial, sentence, and continued incarceration after pardon, were a barbarous outrage from beginning to end. This conduct, which appears from General Babcock's own testimony, is so unmilitary-like, so utterly un-American, so unnatural that we are compelled to inquire into the influences and circumstances which may explain it."

The committee then proceeded to a minute consideration of the testimony, and show that every excuse that Gen. Babcock offered for his failure to protect Mr. Hatch was contradicted both by his own evidence, and by the documentary proof. They then instance his connection with Cozneau and Fabens, and after a review of all the testimony bearing upon this, conclude that the evidence clearly establishes that—

"1. Mr. Davis Hatch, an American citizen of irreproachable character, was arrested by the Dominican authorities on a charge of having aided a party of revolutionists; he was tried by a military commission and sentenced to be shot. The result of the trial shows that the whole proceeding was a barbarous farce.

2. Mr. Hatch was pardoned on condition that he left the country, by a decree of the Dominican Senate, officially published October 4, 1869.

3. Mr. Hatch was, in spite of that decree, kept in prison until the middle of March, 1870.

4. President Baez and his Secretary of State, Gautier, the latter in an official note addressed to the representative of the United States, stated as the reason for Mr. Hatch's continued incarceration after the decree of pardon, that it was feared he would injure the annexation scheme if set free.

5. The two commercial agents of the United States, Mr. Smith and Mr. Perry, used every means in their power to procure the release of Mr. Hatch.

6. General Babcock, sent to San Domingo as the special agent of his government, and having authority to give direction to the war vessels of the United States in Dominican waters for the protection of the Baez government against foreign interference, not only declined to speak a single word in favor of the release of Mr. Hatch, but also discouraged others from doing so. Whatever influence he exerted was against Mr. Hatch.

"The circumstantial evidence points much further, but we desire to express no opinions about General Babcock, except such as are based upon his own testimony and letters. We cannot refrain, however, from designating his confidential relations with Mr. Cazneau as most suspicious."

In regard to Raymond H. Perry, who was the principal witness against Babcock and his confederates in the annexation scheme, the minority say:

"Mr. Perry is still a young man, a member of a highly respectable family in Rhode Island, and a relative of the illustrious Commodore. When he was appointed commercial agent to San Domingo, he had already a checkered career behind him. At the commencement of the late civil war, he joined a three months' regiment as a private, and afterward a Rhode Island battery as a lieutenant. He went through the Peninsular campaign, acquired the reputation of a true and efficient soldier, and was recommended for a commission in the regular army. Owing to a quick and impulsive temperament he involved himself in difficulties. He shot an officer who threatened his life in the discharge of duty, and was tried by court martial and immediately acquitted. He had trouble with his immediate superior, resigned, and entered a New York regiment as captain. We find him in charge of troops on Riker's Island, who, refusing to go on board the steamer which is to carry them off, rise in mutiny. They attack him with clubs and axes, but he subdues them, wounding many with pistol and sword. He is sent to New Orleans to take charge of a cavalry battalion, and serves through the Red River campaign. When on detached duty at New Orleans, we find him involved in one of those innumerable horse and mule cases which occupied our courts martial during the war, found guilty, sentenced to be dismissed, but

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restored to active duty, serving in the Mobile campaign, and honorably discharged after the close of the war.

"But he does not return to the peaceful pursuits of civil life. Off he goes to Mexico to serve in the ranks of the republicans against Maximilian. Then we find him in 1866 and 1867 with General Sheridan on special duty in Louisiana and Texas, part of the time as chief of police at Galveston, finally resigning that position and returning to the North.

"We recognize in him one of those restless, adventurous spirits who are the characteristic growth of a new country; a man delighting in a life of activity, excitement and danger, made for military service in the field, for the frontier, and for the most arduous of police duties; a man of a hot and impulsive temper, prone to use force in a difficulty, impatient of the regular discipline of social life, brave, intrepid and daring, of generous impulses, abhorring foul play.

"We have no doubt the worst that can be said about Mr. Perry has been hunted up and can be found in the evidence accompanying this report, while, on the other hand, men who knew him long and well, as for instance, General Clark, General Sheridan, and other officers under whom he served, testify warmly to his excellent qualities."

The report then quotes the testimony of General Clark, then a member of Congress from Texas, in regard to Perry's character, and also the endorsements of Mr. Perry by General N. P. Banks, General Richard Arnold, General Phil. Sheridan, and General A. E. Burnside, and proceeds as follows:

"In October, 1869, Mr. Perry applied for the appointment as United States Marshal for the western district of Texas, a position for which his qualities admirably fitted him; but that place being filled, he was by one of those absurd freaks of chance, characteristic of our system of civil service, appointed commercial agent at San Domingo, a place with which diplomatic functions are connected, and which required just the opposite of the qualities he possessed.

"He was conscious of this, and expressed himself in that sense. But he was appointed and went on a mission full of perplexities to him. He went, as he says, 'with everything involved in mystery.' He relieved Mr. Smith, who, as he found reason to believe, had been removed because he was obnoxious to Baez, Cazneau, and their friends. General Babcock gave him letters of introduction to Mr. Cazneau and Mr. Fabens, at San Domingo, whom, as Mr. Perry testifies, General Babcock recommended to his confidence as his friends. General Babcock denies this, but we shall show from General Babcock's own letters that Mr. Perry's statement is essentially correct.

"On the steamer carrying him to San Domingo, Mr. Perry meets Mr. Fabens, a speculator, who has large pecuniary interests on San Domingo, and takes a most lively interest in the annexation scheme. His conversations with Mr. Fabens produce a curious suspicion in his mind.

"A few days after Mr. Perry's landing on the Island, Mr. Fabens tells him that General Babcock will arrive at a certain time, and Mr. Perry finds that Mr. Fabens is better informed than he is himself. General Babcock, accompanied by Generals Ingalls and Sackett, does arrive, and before landing, desires at once to have Mr. Fabens brought on board the steamer. From General Babcock's hands Mr. Perry receives his instructions concerning the treaty to be made. He is also directed by the State department to govern himself by the advice and instructions he will receive from General Babcock. He finds General Babcock in confidential relations with Fabens and Cazneau, and these two gentlemen are present in President Baez's room when the treaty is negotiated, taking part in the proceedings. He is startled by a proposition put forth by Mr. Cazneau to make two different treaties, one secret and one for the public." [*See General Sackett's testimony, p.* 51.]

The Hatch case comes up repeatedly, but Mr. Perry, asking for Mr. Hatch's release, can obtain neither satisfaction from Baez nor aid from Babcock.

The treaty concluded, Mr. Babcock leaves. At first Mr. Perry, although noticing things calculated to awaken suspicion, contents himself with the idea that, in following the advice of Cazneau and friends, he is acting in the spirit of his instructions. He consents to do all that seems calculated to further the annexation scheme. Although he perceives that the vote of the Dominican people in favor of annexation is controlled by force and intimidation, he goes even so far as to permit Baez and Cazneau to dictate his dispatches concerning that subject. But presently Mr. Perry's suspicions of foul play grow stronger. He resolves to tell

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his Government the truth. He communicates his apprehensions to the Secretary of State and to General Babcock, at first in unofficial letters, and with timid reticence, so as not to injure any person connected with our Government ; but then, more and more strongly alarmed, he emphatically cautions the Secretary of State against the men who, in his opinion, endeavor to turn the annexation of the Dominican Republic into a speculation for their private advantage. He expresses the hope, in one of his letters to the State Department, that commissioners be sent to inquire into the state of affairs on the Island. He receives two letters from Generals Babcock and Ingalls, almost identical in their terms, advising him to put nothing personal in his official correspondence, and to "write encouraging" (p. 195). He is informed by members of the Dominican Senate that an attempt is being made to defraud the United States by a large grant of public land to Mr. Cazneau, in contravention of the sixth article of the treaty. Eager to protect his Government, and unacquainted with, or forgetful of, the usual ways of diplomatic intercourse, he addresses a note directly to the Dominican Senate, protesting against such proceedings, and involves himself in an angry correspondence with the Dominican Secretary of State. It is worthy of note that Mr. Fish, in a dispatch to Mr. Perry, while disapproving of his having addressed the Senate directly, still approves of his effort to prevent the grant. In this way, Mr. Perry, as Mr. Cazneau, the chief speculator says, in his letter of May 6th, "brings on a premature disclosure of facts that, for the public interest, should have been held strictly confidential for the present " (p. 91).

The same Mr. Cazneau boasts in a letter to Mr. Perry that "no American has been more intimately acquainted with the Samana and annexation negotiations from their inception to their close" than he (Cazneau), and gives Mr. Perry to understand that he knows more of the policy of our government than its official representative.

Mr. Perry finds this man in continual correspondence with the Executive mansion at Washington. He finds that by this very fact Mr. Cazneau wields a mysterious influence over President Baez, and that he uses that influence to obtain pardons for other criminals, but to keep Mr. Hatch in prison, after having been pardoned, in spite of his urgent official demands for his release. Thus he finds another pretended representative of the United States more powerful than he is in his official character. In reply to one of his demands for the release of Mr. Hatch, made in the name of the Government of the United States, Mr. Gautier, the Dominican Secretary of State, asks to have the case once more referred to Washington, as if there another opinion were entertained about the case; and, finally the release of Mr. Hatch is obtained only in response to a peremptory demand, supported by a rear-admiral of the United States.

Thus Mr. Perry finds himself surrounded by influences mysterious and apparently more powerful than his official authority ; and with such doubts, misgivings, and perplexities weighing upon his mind, he comes on leave to Washington. He is in favor of annexation, but opposed to corrupt jobs : he finds reason to believe that those in authority are in the dark as to many things they ought to know, and he resolves "to make a clean breast of it."

This is, in our opinion, the character and this the state of mind of the man as appearing from the evidence ; and in this light his own testimony should be viewed. While involving himself in some apparent contradictions on points of minor importance, when under the confusing pressure of a sharp and rapid cross-examination, yet his testimony is entirely consistent on the main questions and in most of its statement powerfully supported by undeniable circumstantial ev idence. Nobody can read his testimony without coming to the conclusion that he meant to do his duty ; that his very mistakes sprung from a desire to serve his Government in the annexation policy ; and that it is difficult to imagine any personal interest which could have induced him, by a hostile attitude, to offend and to make enemies of those whose influential position could so materially affect, for the better or for the worse, his individual fortunes.

And now comes the most damnable part of the history of this San Domingo job. It was of the utmost importance to Babcock and his fellow conspirators, including the President of the United States, that this man Perry should be, by fair means or by foul, prevented from testifying before the Senate Committee. If he was put out of the way, it was possible to suppress the position of his, and Smith's communications to the State Department in regard to Mr. Hatch's imprisonment. If the worst came, the President could say to the Senate that he

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did not deem it compatible with the public interests to furnish the suppressed portions of this correspondence. With Perry's character destroyed, it would be possible to break down his testimony and make a plausable defense, but how was this to be done ?

One W. B. Moore, who has since figured in the whiskey frauds prosecutions, as an intimate friend of Babcock, and a daily visitor at the White House, and who was then an Assessor of Internal Revenue in Texas, volunteered to trump up charges against Perry on which he could be arrested and taken there on a requisition from the Governor of that State, and tried before a carpet-bag court and convicted, and sentenced to the Penitentiary. Moore's proposition was accepted by Babcock, and this foul plot was undertaken.

The Governor of Texas at that time was entirely subservient, and so were the courts, and had they been able to get Perry there the remainder of the job would have been speedily executed. To obtain a requisition for his arrest in another State it was necessary that criminal charges of some kind should be preferred against him, and this Moore undertook to accomplish. He procured two men, ignorant, without character, and scarcely able to write their names, to make affidavits ; the one charging that he believed Perry had been guilty of murdering an unknown man, and the other alleging that a command of troops under Perry had broken open his dwelling and robbed him of goods to the value of fifteen dollars.

The affidavit on which the charge of murder is based recites that the deponent on or about the 15th of December, 1865, was at Eagle Pass and heard that a murder had been committed near that place, and undertook to investigate the case. He failed to find any dead body, but did see traces of a struggle and traced horse tracks to the river bank, where the body of "the murdered man had evidently been thrown in," but he saw no body, could not find any, and moreover he saw no person who had seen or heard of either the murdered man or the supposed murderers. There were reports of a band of fifteen or twenty marauders said to be commanded by one Raymond H. Perry, having been in the neighborhood several days previous, and on this evidence alone was based the charge of murdering an unknown man, whom living or dead no mortal could swear he had seen.

A justice of the peace would not have issued a warrant for the arrest of a notorious chicken thief on such an affidavit, but Governor Davis of Texas issued two requisitions for the arrest of Perry, one directed to the authorities of the District of Columbia, and the other to the Governor of Rhode Island. The rest of the story is told in the following letters :

DIRECTIONS FROM THE WHITE HOUSE.

EXECUTIVE MANSION,
WASHINGTON, D. C., Feb. 18, 1871.

My Dear Colonel : Allow me to introduce to you Major W. B. Moore, who wishes your assistance in a matter of interest to us all. An introduction to the Major is all that is needed to insure your kind assistance.

Very truly yours,
O. E. BABCOCK.

To Col. WHITLEY, Chief of Secret Service, Treasury Department.

WASHINGTON, Feb. 18, 1871,
1,515 L street, bet. Fifteenth and Sixteenth.

Col. H. C. Whitley, 53 Bleecker street, N. Y.

DEAR SIR : Enclosed please find letter of introduction from Gen. Babcock.

I have a requisition from the Governor of Texas for the arrest of Raymond H. Perry, the ex-commercial agent for San Domingo, who is charged with murder, highway robbery, burglary, and horse stealing. As the integrity of the President is questioned, through the misrepresentations of this fugitive from justice, it is highly important that his real character should be exposed at once, and I depend upon you to learn his whereabouts and bring him to justice. Can you put an officer to hunt him up ? I have requisitions both on the Governor of Rhode Island and the Chief Justice of this District. Also the warrant of the Governor in blank, which can be filled up with the name of any one we may designate. Can you detail an officer to take charge of the prisoner ?

Please communicate with me at your earliest convenience, and let me know what can be done.

Very truly,
W. B. MOORE,
Assessor Internal Rev., 3d Texas Dist.

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1,515 L STREET, WASHINGTON, D. C.,
Feb. 23, 1871.

Col. H. C. Whitley, 53 Bleecker street, New York.

COLONEL: Your favor of the 21st inst. is at hand. In answer I enclose the requisitions and papers in my possession. The requisition upon the Governor of Rhode Island has no papers attached, but those accompanying the requisition upon the Chief Justice of this District can be carefully detached, and attached to the former if it is necessary to make the arrest in Rhode Island. Would it not be better to make the arrest here to avoid interference with writs of habeas corpus? The writ for arrest is also enclosed; the name of any one you may select to take charge of the prisoner can be filled in.

It is important that the arrest be made before the San Domingo matter comes up again in Congress, that the integrity of the President may be fully vindicated. Please telegraph me the moment he is arrested. The accompanying affidavits are only samples of about twenty, but these are all I could wait for. The last heard of Perry he was in New York, but has been avoiding this city. His family are in Rhode Island, but if he gets an intimation of this business he will be very cautious. Gen. B. thinks I had better leave the search to you, as he would get suspicious if he learned a Texan was after him. Do you not think I had better keep in the back-ground?

Very truly,

W. B. MOORE.

AN ATROCIOUS PROPOSITION.

1,515 L STREET, WASHINGTON, Feb. 27, 1871.

Col. H. C. Whitley, 53 Bleecker street, New York.

DEAR COLONEL: Your telegram was received at 4:25 P. M. to-day, and I proceeded immediately to the Executive Mansion and Treasury to ascertain if a requisition could be obtained from the authorities here, but was too late to see anybody. Will see the Attorney-General early to-morrow, and, if possible, obtain and send you a requisition in blank. If we cannot arrest and hold, make an arrest anyhow and take chances. The arrest will give opportunity to make public the infamy of the criminal and thus do justice to his Excellency, the President. If I obtain the requisition I will telegraph you at once.

Very truly, W. B. MOORE.

1,515 L STREET, WASHINGTON, March 1, 1871.

Col. H. C. Whitley, 53 Bleecker street, New York.

DEAR SIR: I saw the Solicitor-General yesterday, and learned that nothing could be accomplished except through the Governor of Texas, as the party had committed no offense that could be brought before the United States Courts. If the Governor of Rhode Island would not issue process on the papers sent you, and the accused cannot be decoyed into this district, I will have to return to Texas and obtain a requisition in blank. The Grand Jury of Uvalde county have presented an indictment against him, and a requisition based upon that cannot be overborne by any Governor however friendly.

I hoped to have taken the fellow into custody in order to make public his real character. The information (?) given Mr. Sumner by this man, and so unjustly made plausible by the Senator, is the last shadow of suspicion resting upon the Administration in the San Domingo affair. The whole career of P. in Texas is so cruel and infamous that its recital alone would carry conviction to the mind of any just person. Not knowing the whereabouts of P., I made the papers out with a view to arresting in the district, and the requisition upon Rhode Island was an after-thought. Unless the authorities of Rhode Island gave information, the accused can get no intimation of what is going on, as I have done all the work, up to communicating with you, in person, and have been very cautious.

Let me hear from you at an early moment.

Very truly, W. B. MOORE.

NETTLESHIP REPORTS.

NEW YORK, Feb. 24, 1871.

MY DEAR CHIEF: I arrived here this noon from Providence. I found Perry at his home near Bristol. I managed, through a man I had with me, to find out

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all about Perry's whereabouts, without creating the least suspicion of alarm. The papers have just arrived from Washington, but as there is a possibility of you desiring to get at Perry on some other thing than the charge contained in the requisition, and as there cannot be any time lost by my not coming with Beatty to-night, I thought it would be best for me not to come to-night, as you well know it will all depend on the action of the Governor of Rhode Island whether we get Perry without any trouble or not. If you can get some one in Massachusetts to induce the Governor to issue his writ for the arrest of Perry at once, why, we can get him in a few hours, and land him on the Fall River boat and into New York before any one can get out any habeas corpus or anything else; but should the Governor delay us by wanting a little time to think over it, or blow us so as Perry hears of the matter, why we may have a good deal of trouble, as Perry is nobody's fool, and would take advantage of any little thing to get time. Anyways, when Beatty shows you the papers, you will be better able to judge on the affair. But if the Governor of Rhode Island is all right with us, why we will only have to get Perry and bring him along; and, as you notice in Mr. Moore's letter, he speaks of the possibility of a habeas corpus. There is no danger of Perry going away, as he is properly fixed; but he is not the man to be taken away by force without the papers are all right. I can meet Beatty at Providence on Sunday morning or Monday morning, when we can go to Perry's house.

I hope my action in this matter will meet your approbation, as I can see no loss of time in not coming to-night, since it will take to-morrow and likely Sunday to get the papers ready. I am, sir, very respectfully, your obedient servent,

J. C. NETTLESHIP.

THE PLOT FAILS.

The letter of Nettleship to Whitley explains the two last letters of Moore. When Nettleship found Perry's whereabouts, and learned all about him, he discovered that he was "not the man to be taken away by force without the papers are all right." It was a case in which kidnapping would be extremely dangerous, and therefore he suggested to his chief the possibility of getting at the victim in some other way. He knew the papers from Texas would not stand a moment when brought into court. Whitley, acting on this suggestion, telegraphed to Moore in Washington to see if some trumped up charge could not be got so they could arrest Perry on a warrant from a United States Court. Moore it will be observed, went immediately on receipt of this telegram to the "Executive Mansion," but could see no one. The next day he saw the Solicitor-General, but got no encouragement from that quarter, because no offense had been committed. Whitley concluded that the job would be dangerous and so gave it up.

It will be observed that Moore in his last letter says that the Grand Jury of Uvalde County had found an indictment against Perry. This was a lie out of the whole cloth, and the sequel proves it. Perry afterwards came to Washington and testified before the Senate Committee, and although all sorts of charges were there alleded against him, no allusion even was ever made to the offenses for which Moore and Babcock wanted him to be sent to Texas to be tried. This is conclusive proof that the whole thing was a "put up job" from beginning to end, and that Moore was a tool in the hands of Babcock and the President, who sought to use the secret service force to have an innocent man kidnapped and spirited away, so that his testimony would not damn them in the San Domingo investigation.

The report of the majority of the committee was made to the Senate on the 25th of June, 1870, and adopted by that body, all of the Republican Senators voting for it, except Charles Sumner, Lyman Trumbull, Carl Schurz, O. S. Terry, T. W. Tipton, and Reuben Fenton. In the December following, at the commencement of the third session of the XLI. Congress, the President demanded, in his annual message, that a commission should be sent to San Domingo for the purpose of inquiring as to the sentiments of the inhabitants in regard to annexation, as to the resources of the island, the extent of the indebtedness of the Dominican Government, and the concession which had been made in favor of private individuals of the United States and foreign governments. Accordingly, on December 12th, Mr. Morton introduced a joint resolution providing for the appointment of three commissioners, who were to have a secretary, to proceed to the Island of San Domingo, inquire into, ascertain, and report on the several subjects, concerning which the President had suggested in his message should be investigated.

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On December 20th, Mr. Morton called up this resolution, and Mr. Sumner moved to amend as follows :

"*Resolved*, that the President of the United States be requested to communicate to the Senate, if, in his opinion, not incompatible with the public interests, copies of all papers and correspondence relating to the proposed annexation of the Dominican portion of the Island of San Domingo, or the purchase of any part thereof, including the original and all subsequent instructions to any agent or consul of the United States, with the correspondence of such agent or consul ; also any protocol or convention signed by such agent or consul ; also, an account of the debt and liabilities of the Dominican Government, especially its obligations to the neighboring Republic of Hayti; also, the provisions of the existing constitution of San Domingo, so far as the same related to the sale or transfer of the national domain; also, any treaty with Hayti or France by which Dominica is bound or affected; also, any communication from the neighboring republic of Hayti, or from our minister there, relating to the proposed annexation; also, instructions to the commander of our naval squadron in the waters of the island since the commencement of the late negotiations, with the reports and correspondence of such commander; also, any information tending to show what European power, if any, propose to acquire jurisdiction of any part of the island, and if so, of what part, also, any information with regard to the position of President Baez, under whom the treaty of annexation was negotiated, and the extent to which he has been maintained in power by the presence of United States vessels of war; also, any information with regard to the sentiments of the people of Dominica and the reported pendency there of civil war; also, any information in regard to any claim of jurisdiction by the Republic of Hayti over the territory of Dominica."

A long debate ensued upon the joint resolution and Mr. Sumner's proposed resolution of inquiry. In this debate Senator Edmunds, of Vermont, Howard, of Michigan, Howe and Carpenter, of Wisconsin, Cameron, of Pennsylvania, Conkling, of New York, Morton, of Indiana, Sherman, of Ohio, Hamlin, of Maine, Nye, of Nevada, Chandler, of Michigan, Cragin, of New Hampshire, Morrill, of Vermont, Pomeroy, of Kansas, Stewart, of Nevada, Warner, carpet-bagger from Alabama, Harlan, of Iowa, Landaulet Williams, of Oregon, and Cole, of California, supported the proposition submitted by Senator Morton to carry out the views of the President, and opposed with the utmost bitterness Mr. Sumner's substitute. Of all the Republican Senators, Schurz, Trumbull and Tipton alone stood by Mr. Sumner. Edmunds led off in the attack upon Sumner. Morton and Conkling followed with tremendous phillippics, and all the rest, "Tray, Blanche and Sweetheart," joined in the cry. But the brave old hero from Massachusetts met the combined assault with all his characteristic composure, and with more than his usual eloquence denounced, in terms fitting the occasion, the San Domingo job as the sum of all villainies. In speaking of Morton's joint resolution he said :

"Mr. President : The resolution before the Senate commits Congress to a dance of blood. It is a new step in a measure of violence. Several steps have already been taken, and Congress is now summoned to take another. * * * * The President has all the power it pretends to give. He may, if he sees fit, appoint agents, calling them any name that he pleases, calling them commissioners, calling them embassadors, perhaps, if he will, though this might raise a constitutional question ; but he may appoint agents to any extent, of any number, to visit this island and report to him with regard to its condition. He may give in charge to his agent all the matters specially named in this resolution. All these he may write in their commission, and when they return he may, as was done in other days, communicate their report to Congress.

"Therefore do I say the resolution is absolutely unnecessary, and I call the attention of my honored friend, the Senator from Indiana, who champions this resolution, to this special point. I ask him to show its necessity ; I ask him to show any good purpose it can serve ; I ask him to show why it is brought forward on this occasion, unless it be to commit Congress to the policy of annexation. Sir, I stand on this position, and I say, knowing the powers of the President under this Government, knowing the practice of this Government, that this resolution is completely superfluous, and that its single purpose, so far as one can see any purpose in its terms, is to commit Congress to what I shall show in a very few moments is a most unjustifiable policy. Sir, others may do as they

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please; others may accept this policy; I will not. I have already set myself against it, and I continue now as firm against it as ever. The information which I have received since our discussions last year has confirmed me in the conclusions which I felt it my duty then to announce. * * * I object to this proposition because it is a new stage in the measure of violence, which, so far as it has been maintained, has been propped by violence ever since. I use strong language, but only what the occasion requires. As a Senator, as a patriot, I cannot see my country suffer in its good name without an earnest effort to save it. The negotiation for annexation began with a person known as Bueneventura Baez. All the evidence, official and unofficial, shows him to be a political jockey; but he could do little alone. He had about him two other political jockies, Cazneau and Fabens, and these three together, a precious co-partnership, seduced into their firm a young officer of ours, who entitles himself aide-de-camp to the President of the United States. Together they got up what was entitled a protocol, in which the young officer entitling himself aide-de-camp to the President proceeded to make certain promises for the President. Before I read what I shall of this document, I desire to say that there is not one word showing that at the time this aide-de-camp, as he calls himself, had any title or any instruction to take this step; if he had, that title and that instruction have been withheld. No inquiry has been able to penetrate it. At least the Committee which brought out the protocol did not bring out any such authority. The document is called a protocol, which I need not remind you, sir, is, in diplomatic terms, the first draught of a treaty on the memorandum, between two parties in which are written down the bases of some subsequent negotiation. But at the time it is hardly less binding than a treaty itself, except, as you are well aware, under the Constitution of the United States it can receive no final obligation without the consent of the Senate. This document begins as follows:

"The following bases which shall serve for framing a definitive treaty between the United States and the Dominican Republic have been reduced to writing and agreed upon by General Orville E. Babcock, aide-de-camp to his Excellency General Ulysses S. Grant, President of the United States of America, and his special agent to the Dominican Republic, and Mr. Manuel Maria Gautier, Secretary of State of the Departments of the Interior and of Police, charged with the foreign relations of the said Dominican Republic.

"Here you see how this young officer, undertaking to represent the United States of America, entitles himself aide-de-camp to his Excellency Gen. U. S. Grant, President of the United States of America, and his special agent to the Dominican Republic. Sir, you have experience in the government of this country; your post is high, and I ask you do you know any such officer in our government as aide-de-camp to his Excellency the President of the United States? Does his name appear in the Constitution in any Statute in the history of this republic anywhere? If it does, your information sir, is much beyond mine. I have never before met any such instance; I believe this young officer stands alone in using this lofty designation; I believe still further that he stands alone in the history of free governments. I doubt whether you can find a diplomatic paper anywhere in which any person undertaking to represent his Government has entitled himself aide-de-camp to the Chief of the State. The two duties are incompatible according to all the experience of history. No aide-de-camp would be commissioned as a Commissioner, and the assumption of this exalted and exceptional character by this young officer, shows at least his inexperience in diplomacy. However, he assumed it, and it doubtless produced a great effect with Baez, Cazneau and Fabens, the three confederates. They were doubtless pleased with the distinction. It helped on the plan they were engineering. The young aide-de-camp then proceeds to pledge the President as follows:

"*First.*—His Excellency, General Grant, President of the United States, promises privately to use all his influence in order that the idea of annexing the Dominican Republic to the United States may acquire such a degree of popularity among members of Congress as will be necessary for its accomplishment." Shall I read the rest of the document? it is somewhat of the same tenor. There are questions of money in it—cash down, all of which must have been particularly agreeable to the three confederates. It finally winds up as follows: "Done in duplicate in good faith, in the City of San Domingo, the fourth day of the month of September, A. D. 1869."

"ORVILLE E. BABCOCK,
"MANUEL MARIA GAUTIER."

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"In 'good faith' if you please, sir.

"I have heard it said that Orville E. Babcock did not write aide-de-camp against his name at the bottom of this protocol; this was not necessary—the designation of a person in such documents always appears at the beginning; as for instance in a deed between two parties, the party signs it and in signing it he recognizes the designation."

After a speech of two hours' duration, in which Mr. Sumner reviewed the whole of this annexation business, he concluded as follows:

"I conclude as I began, I protest against this resolution as another stage in a drama of blood: I protest against it in the name of justice outraged by violence: in the name of humanity insulted; in the name of the weak trodden down; in the name of peace imperiled, and in the name of the African race, whose first effort at independence is rudely assailed."

In conclusion, it is only necessary to say that the joint resolution reported by Senator Morton was adopted, passed by both Houses of Congress, approved by the President, and a Commission appointed which, at an expense of nearly $100,000, visited San Domingo, and at the next session of Congress submitted an elaborate report in which annexation was urged in almost every line. But during this interval, public opinion, sweeping along with an irresistible current as mighty as the Gulf Stream itself, had made the Administration and the Republican majority in Congress pause. The annexation scheme was temporarily abandoned, but as late as 1872, in the very midst of the Presidential campaign, Buenventura Baez sent a confidential agent to Washington to sound anew the current of public opinion in the United States, and report the attitude of the President and his party towards annexation. The overthrow of the dynasty of Baez which followed soon after, when it became definitely known in Dominica, that the strong arm of the United States Government was no longer stretched out to support him, ended once and for all this huge job in the interest of which so much villainy, so many crimes were perpetrated.

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REPUBLICAN MISMANAGEMENT;

THE POST OFFICE DEPARTMENT.

It is the purpose of this digest to present in a condensed form and illustratively the incompetent, profligate, and corrupt administration of the General Post Office during the incumbency of President Grant, as made manifest by the testimony of witnesses, some of whom were interested and reluctant, taken before the Committee on Post Offices and Post Roads, during the first session of the Forty-fourth Congress.

While, from the sworn evidence, an impartial public judgment must utterly fail to acquit Postmaster-General Jewell of connivance, by official neglect at least, at the waste and fraud thus conclusively exposed, a far greater burden of condemnation will attach to his predecessor. With that Oriental capriciousness which has ever characterised General Grant's appointments to public station, Mr. Creswell was taken from a career of comparative obscurity and absolute inexperience, and placed, upon the former's assumption of the Presidency, in the conspicuous position of head of that department, which, perhaps, imposes the largest measure of executive responsibility. He had previously, indeed for a short period, in Congress represented a State, though not a constituency, as the accident of a military exigence, but, beyond the mere ambiguities of national politics to which he was thus introduced, his record had not indicated the possession of merits or opportunity above the common-place average of a country bar. By means of pliancy toward his chief, and unscrupulous political activity, however, he was soon secure of the highest personal favor of the President, and of the laudatory confidence of the Republican press and party. Twice he was vindicated against the *facts* and the law by an audacious administration majority in Congress.

During his term of office, and until it was terminated by the prevalence of an adverse public sentiment, the following corrupt and evil practices obtained :

FIRST.—Service was improvidently and inconsiderately granted where no public demand existed or public convenience accrued.

SECOND.—Exorbitant prices were allowed for services when needed, and for the work when done.

THIRD.—Services when not rendered according to the contract, either in spirit or measure, were nevertheless fully paid for.

FOURTH.—When fraud was detected on the part of contractors, no adequate action was taken by officials to either punish or correct the fraud.

FIFTH.—When official direliction, or corruption, or remissness was discovered, the Department took no sufficient measures to punish delinquents, or to prevent a recurrence of similar official wrong-doing ; so that the Government lost annually, in violation of law and through corrupt practices, millions of the public money ; and the guilty parties in office and out of office have generally gone free, both of prosecution and punishment.

The most flagrant abuse which has ever been fastened upon the Post Office Department is that which is described by the popular designation of *straw bids*, a

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species of organized knavery utterly unknown in our history before the postal administration of Mr. Creswell. A straw bid is the offer of a person to render under given conditions service which he does not intend to render. In most cases it is the bid of an irresponsible person at a figure below the necessary first cost of the service to be performed. It is a false pretence, its immediate object being to obtain the award as a means of preventing the contract from falling into the hands of a responsible party who has bid in good faith. The names of stage drivers and other insolvent intermediates have commonly been used for this purpose. Contractors in order to defeat the efforts of the Department in obtaining a contract on fair and reasonable terms for transporting the mails, form a ring of many bidders, whose bids range from exorbitantly high figures to manifestly small amounts. The contract is awarded to the lowest bidder, who fails, in the interest of the ring; then every next lower bidder retires or refuses to answer when notified, leaving the Department the alternative between some bidder higher up the list, or a continuance of the old contract in the nature of temporary services, the temporary services always being performed by the old contractor, at the old exorbitant prices, because no one else on the long mountain routes in the Territories will be prepared to commence immediately temporary service. Where there are bidders who do not belong to the ring, these, in many instances, receive large sums to refuse to answer to the bids when notified that the lowest bidder has failed to execute the contract. The contractor or confederated contractors by this means virtually control the contract, and force the Department to let to them on their own terms. Again, in many instances of the recent practice, the Postmaster-General has exercised a suspiciously convenient and absolute discretion, and overlooking altogether the bidders in an ascending scale, declared a temporary service, to the advantage of some favored recipient.

In operating this system for the purposes of plunder and corruption, there appears from the testimony to have been a combination of rings:

First, a ring of contractors.

Second, a ring of officials, embracing clerks in the contract office; and sometimes an intermediary ring of brokers or agents, by which the two former combinations were brought in contact, and enabled to effect and perfect their schemes against the public Treasury. That many clerks in the Department were in the pay of some of these contractors was fully developed in the trial of Hinds, and the circumstances surrounding that case force belief that this corrupt combination between those clerks and contractors pervaded all the usually denominated ring-contracts to such an extent that the contractor was enabled, from information gained through the clerk who had official access to the records, to know positively who was the lowest bidder, making it easy to underbid him for the contract. As examples of the range in the graduated scale where straw bidding has been practised, routes 7,587 and 8,539 may be adduced; in the former, from Fort Gibson to Sherman, 205 miles and back, three times a week, the highest bid of sixty was $80,049 per annum, and the lowest (straw), $900; and in the latter, from Fort Concho to El Paso, Texas, 475 miles and back, twice a week, the highest bid, of over fifty, was $150,000, and the lowest, $75. In the last instance, the minimum bid was summarily set aside by the Postmaster-General as too preposterous to be entertained, and a straw bid of $4,200 accepted, although it was equally obvious that it was inadequate to a just, or any performance whatever, of the service; and Mr. Creswell had the hardihood to vindicate himself from the charge of failing to exercise a wholesome discretion in the rejecting of all plainly fraudulent bids by pleading the letter of the law in its rigor and asserting the illegality of his own act in refusing to consider this very El Paso bid.

One of the peculiarities of this system of contract roguery is its tendency to corrupt outgrowths. The award is made to the straw man, and ample time allowed ostensibly to execute the stipulations, but, in reality, to admit of ring handling. Each of the bidders above him and under the first ring bid is approached by one of the ring, who says in substance: "Here are a thousand (or more) dollars for you, if you will withdraw your bid. Even if you allow it to remain you cannot get the contract, for it is already awarded to one of my men, and he will hold it unless you get out of the way. As the case stands, you won't make a dollar, while the effect of your withdrawal would be advantageous to both of us; it would put this money in your pocket, and enable me to get a more profitable contract." The bid is withdrawn and the money paid. When all below the first ring bidder are disposed of, the route is awarded to him, the

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straw man having notified the Department that he will not execute the contract. The ring bidder, in like manner, delays until those above him are purchased out of the way, when he in turn fails to execute the contract, and so on up to the list. If a hitch in this process compels the ring to take a route at a low rate, they may still depend upon an order from the Postmaster-General increasing or expediting the service. When the object has been by means of straw bidding to secure an order for temporary service, and a re-advertising of the route, the old contractor has allowed the use of his stock for the month's running necessary to save from forfeit the per centage check on the bid deposited with the Department. Finally, this business of straw bidding culminated in regular corruption pay for the clerks in the contract sections; the abstraction, for perusal in midnight councils of the ring, of legitimate bids supposed to be properly and securely filed; the forging of names upon bids put in, and in counterfeit authenticating seal.

For these sustained depredations upon the Treasury, and the perversion of clerical morals, Postmaster-General Creswell must be regarded as eminently responsible. There is, indeed, reasonable room for grave suspicion of his complicity; but even if it be clearly established that he derived no pecuniary profit from these frauds, it cannot be denied that he knowingly and conscientiously suffered them to exist from motives of either personal or partizan consideration. To this end he solicited and obtained strained constructions of obsolete law in disregard of the more recent statute; to this end he violated habitually the clear and conservative provisions of specific law. *That*, at least, was before him for his guidance; nor can it be successfully alleged that he was in ignorance of the situation and of its particulars, with a departmental force so organized as to grasp and expose them, with special reports before him, in view of the notoriety which obtains from a well founded public clamor, and in the face of his own official confession of the reality of the evil, and a pretended desire for its excision.

The case of Peterson who sustained an equally unenviable relation to the Creswell regimé as that of the Catells to another department of the Government, is singularly illustrative and instructive. This man, who had been a brigade surgeon under General Giles A. Smith, commenced his career as a contractor upon the appointment of that gentleman to the Second Assistant Postmaster-Generalship. His rise as an influence in the postal affairs of the South-west was rapid and remarkable. In the language of the facetious Captain Leathers, one of the witnesses, he became "a big man in Washington," "man to tie to," and "always knew how to sound the gong." The innermost portals of the Post Office opened at his approach, his solicitations never fell unheeded upon the official ear, he was never chided for tardy settlements, nor inopportunely investigated for defective service, and when, in the course of a perfunctory routine, fines and deductions fell to his share as the holder of many contracts, they vanished magically before his protest. However arid it was with other men, the fleece of this Gideon was always wet. His gains were counted in the bar-rooms of Washington, and his power was marveled at by the steamboat men of the Mississippi. A great deal of the testimony relates to the fortunes of this prosperous gentleman, who appears upon the stage in several characters, but is always easily to be identified. Notwithstanding the number and extent of his river contracts, Doctor Peterson was certainly not the captain of a steamboat, does not appear to have ever owned even a portion of a steamboat, and if credence is to be given to the conviction of the veteran Leathers, did not even own "a wheelbarrow." But it is incontestable that in a certain sense he owned both the Postmaster and Second Assistant Postmaster-Generals.

Peterson's method was to procure contracts upon his merits as an individual and a fellow-campaigner with General Smith, and then sub-let them to more ordinary mortals, who were content with the fair results of vulgar industry. As one illustration among many, the testimony shows that John A. Scudder, the owner of a steamboat, put in a bid to carry the mail from White River to Vicksburg. The lowest bidder having failed, Scudder became eligible, and was prepared to carry it out in good faith according to the conditions of his bid. He received no notice, as was supposed to be the custom under the regulations, and the contract was awarded to Peterson at much higher figures. Scudder's bid was $7,000. Peterson sub-let to Scudder at $10,000, giving Scudder $3,000 more than he bid to do the work for. All these contracts for carrying the mail upon the Mississippi and its tributaries, it will be remarked, were taken by Peterson in his own name, and were, therefore, in direct contravention of that section of the postal laws, which, as he was neither owner nor master of any vessel plying upon those

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waters, disqualified him in terms from becoming a contractor. Several of the profitable routes thus lavished upon Peterson by his friend Smith, who had charge officially of these contracts, were indisputably superfluous; and the mails of several routes were commonly carried upon the same line of boats under the agreement of a single sub-letting. The work, too, was often very improperly performed, some localities which by the contract should have been served semi or tri-weekly, getting not a single mail in periods of twelve to eighteen days, to the serious delay and derangement of business, and the confusion of social intercourse. But Peterson was too securely entrenched to be dislodged by the protests of angered communities, or seriously disturbed by the reports of special agents.

"What was the matter with that contract?" is asked of one of the witnesses; who replies, "Peterson ought to have had a boat to carry that mail, according to law and the regulations, and we found that he was putting it aboard any casual boat he could find to take it, and sometimes it was not carried at all." This is a style of revelation that is repeated again and again. Upon a Peterson route, where the regular service was tri-weekly, money-order special agent Carroll testifies, "I was very much impressed with the delay of the mails, particularly at Greenville, the boats very frequently not stopping there for sometimes as much as ten or twelve days." Special agent Holbrook, in his sworn examination declares, "My attention was called by the route agent on the Natchez to the fact that three offices on Davis's Bend were not supplied but once a week with mail. I had a long talk with Captain Leathers, who told me that he was discouraged in his efforts to contract with the United States Government, being unable to reach them at all except through a middleman, B. H. Peterson, and he asked me if I would call the attention of the Department to the hardships which they endured through the fact I have just mentioned. He said that Peterson was an irresponsible man; had no property, no position, and they did not like to do business in that way. I found these facts to be true. When we went into the Bend, the Postmaster at New Carthage called upon me and stated that his people were complaining very bitterly; that he had continually written to the Post Office Department, and was unable to obtain any attention to his letters, and asked me, as an officer of the Department, to lay the facts before them on my return. I went up the Red River, and found that the letter mails and paper mails were carried upon the forward deck of the steamer, entirely unprotected.

VERY EMPHATIC ADVICE.

The boats were loaded with emigrants. I was on three or four boats, having to stop off at Alexandria and Natchitoches before I reached Shreveport, the terminus of the route. I went to the clerk about it, the mails being entirely unprotected, emigrants sitting on the letter-bags, so that any one with a knife could have got access to the letters. I called his attention to the fact, and he replied to me something in this way: That if the United States Government, or the Post Office Department, did not like the way they carried the mails they could go to hell with them; they were getting little or nothing for carrying the mail; that they were forced to do business through a middleman, and unable to get their pay, even what he did agree to give them. This was a boat of the Red River Packet Company, G. L. Kountz, President. On my return to New Orleans, I called upon Mr. Kountz, called his attention to the manner in which the mails were being carried, and to an additional fact that the post offices on Red River, which I had stopped at, complained that they for weeks, sometimes, have received no mail, especially on the down-trip of the boats, for the reason, as they assigned, that the boats were heavily laden with cotton and refused to make any landings, unless they had cotton to take on or passengers to put off. In one instance, twelve mails were brought upon the boat, the boat not having stopped there for twelve trips, and the service was three times a week; so it evidently had not stopped for a month. On reaching New Orleans I was introduced to Mr. Kountz by the Postmaster there, and called his attention to this condition of things, and his reply was similar to that of the clerk: that they could get no contract from the Government; that Peterson was receiving $30,000 a year for carrying the mail; that he agreed to pay them $150 a week, but that they were unable to obtain that; and he used about the same language that the clerk of the boat did. He went on to state further that there was no possibility of the steamboat-men of New Orleans obtaining any contracts while Giles A Smith was Second Assistant Postmaster-General, except through Dr. Peterson

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My report went to D. A. Floyd, the clerk in charge of that contract section. I had a talk with General Smith in relation to the condition of the service there, and said as much as I thought it desirable to say, I being an officer of the Department, holding a minor position. Among other things, I told him that Dr. B. H. Peterson was openly trading in Louisiana upon his influence with him. General Smith did not receive at all kindly what I told him. He turned it off in some way, I do not now remember how. General Smith never forgave me for the statement which I made. That there might be no misunderstanding in relation to it, I made a more full statement than I could make to my superior officer, to an intimate friend of his, A. H. Brown, a townsman of his and at that time contract-clerk for the Territories."

And so it was throughout; incensed communities, complaining postmasters, steamboat-men with resentful thoughts of brimstone, and faithful Department clerks suspected and snubbed for an imperative and decorous performance of their duty—like a couple of Gallios, the Second Assistant Postmaster-General and his old friend of the faculty, cared for none of these things; nothing could perturb the tranquility of their hob-nobbing by the winter grate, where they were probably wont to discuss the latest speculations of Chelius or the medical schools of Paris, and to end with the complexities of the financial situation.

It must not be supposed, however, that all the money found by Peterson in the fish's mouth whenever he cast his hook, accrued to his exclusive emolument. A good deal of it, after the Apostolic method, went for tribute. Such valuable auxiliary activity as that of Senators West and Dorsey, and ex-Secretary Belknap, could not be altogether disinterested. Of course, for the particulars of this species of friendship, we shall be disappointed if we expect many well-defined and prominent personalities in the foreground. Inferentially, indeed, there is no difficulty in identifying an amiable amity like that of Smith's, but, for the most part, the figures in such a maze of benevolence flit before us misty and uncertain, as did the Stygian ghosts before Æneas. No plummet will ever sound the depths of corruption that have been sunk within the encompassing lines of Republican ascendency. They can only be appreciated by the popular understanding in a survey of Treasury deficits, augmented taxes, and ruined industries.

SUGGESTIVE EVIDENCE.

To return to the testimony:

"Q. How did Doctor McDonald happen to make the remark to you, that he had grown weary of forwarding these reports to his superior officers in the Department? A. On account of the continued failure of these postmasters of whom I speak, to remit their funds, upon the same plea that they could not get the mail out; that there were no boats coming to their offices. Perhaps it was called out, also, from the further fact that I sent to the inspection clerk of that division, Mr. Sickles, and called his attention to the fact of the accumulation of our moneys at those offices, and the risk that the Government ran from the inability of the postmasters to comply with our instructions.

Q. Did you state the facts to Mr. Sickles also, as to the irregularities in the mail service there? A. I did, sir; he was very well aware of the facts in regard to those irregularities. I stated the facts also to Mr. Floyd, the contract clerk for that section, who advised me to let the matter alone; that it was a matter it would not pay to meddle with.

Q. What reason did he give for that statement? A. I cannot say that he gave any direct reason for that statement.

Q. What did you understand by it? A. Everybody in the Department understood why it was.

Q. What was the general understanding in the Department? A. That this man, Peterson, had been the intimate friend and surgeon of General Giles A. Smith all through the war; he was his regimental surgeon, his brigade surgeon, and his corps surgeon.

Q. Do I understand you to mean that Peterson, being an intimate friend of General Giles A. Smith, and General Smith occupying the position of Second Assistant Postmaster General, he was acting as a middleman between the Second Assistant Postmaster-General and these contractors? A. I do not know that sir. I know that he received favors that very few others received in the Department, and was recognized in a way in which very few men were recognized.

Q. Please state how he was recognized?

A. He was constantly in the office of the chief clerk, J. L. French, and in the office

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irregularly settled in every quarter, without the proper certificates required from of the Second Assistant Postmaster-General, Gen. Giles A. Smith. His accounts were most other contractors that the service was properly performed, and without deduction of the amounts which had been collected on account of his contract-pay. The Committee may not understand that the contractor is made the collector for the Government of balances due from postmasters on the line of his routes. To enable him to perform this duty prior to the close of each quarter, blank orders are furnished him for each office that is known as a collection-office on his route. Those orders are furnished him in duplicate; they are furnished him about a month before the close of the quarter, so that he may make his collections without delay and get the balance of his pay. He calls upon a postmaster, and fills out an order with the amount of the balance which the postmaster reports in his hands due the Government. The postmaster retains one of those orders, and the contractor forwards the other to the Sixth Auditor of the Treasury. The amount collected by him on those orders, all of which must be accounted for—either returned as 'no collection made' or the amount collected reported—is charged up to his route, and the balance between the amount which he himself has collected and the amount of his contract-pay for the quarter is paid to him by draft or warrant upon the certificate that he has done the service—a certificate issued by the postmaster at both ends of the route, and certified to by the Second Assistant Postmaster-General. The formality of requiring this certificate and waiting for Mr. Peterson and some other contractors to account for the moneys that they had collected, was entirely ignored. He was paid his full quarterly pay; and the collections made by him deducted from the next quarter's pay; virtually loaning to him, in addition to his contract pay, whatever the collections he had made amounted to.

Q. Was there any irregularity in connection with those Peterson settlements, except the one that you have alluded to—any other irregularities or favors shown him? A. When I called the attention of Mr. Sickles, the inspection-clerk for that section, to the irregularities of that service, he told me that it was no use to impose any fines on Dr. Peterson, that they were all remitted. He told me that he endeavored to get the fines as nearly just as he could, and if they were small they were sometimes allowed to remain, but if they were large they were always remitted.

Q. Who remitted them? A. They could only be remitted by the chief clerk, or the Second Assistant Postmaster-General."

The above is from the evidence of Holbrook, whom, even under the administration of Creswell's successor, Postmaster-General Jewell, and while specially detailed to an investigation of these frauds, was forced by the latter functionary, at the very flood-tide of his career as a cabinet reformer, to resign through the still dominant influence of Peterson.

PETERSON'S INFLUENCE.

The evidence, concerning Peterson and his intimate relations with the high officials of the General Post Office, as well as with W. W. Belknap, the then Secretary of War, with Collector Casey and various Senators, as given by other witnesses before the committee, is always either inculpatory or suggestive. Is a hitch threatened in the usual remitting of Peterson's fines and deductions, or in the settlement of his accounts? There is forthwith a peremptory telegram from Senator West, or a visit from Casey. Is there danger to him of a discontinuance? Dorsey is presently at the front to remonstrate. Does a Congressional investigation expose the exorbitant plunder derived by him from a river sub-letting? A more remunerative land route is substituted in its place; while Chief Clerk French, who also drives a prosperous private stroke at life-insuring the contractors, which makes him thoughtful and conservative towards them, counts not among the least of the felicities of his table, Peterson's present of a service of plate. What is singular about this ambitious and benevolent personage is, that, notwithstanding the magnitude of his operations, he is several times presented as a perplexity to pursuing sheriffs, who are unable to find anything tangible about him in the way of assets but his aliases. Finally, he disappears from the scene, but still holding five existing and unexpired contracts, not indeed in a halo of glory, but in a cloud of profanity at Willard's. He has been insisted upon here as a type of his class, and yet he has been very inadequately portrayed. There is an impotence in mere scientific analysis for such unique knaves that cannot reach the height of their deserving. Except for the probably less favored advantages of opportunity, such as is Peterson's are also those of Sawyer and Draper, Barlow and Huntley.

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The history and experiences of the celebrated firm of Barlow, Sanderson & Co., as given to the committee by its senior partner, is neither less guileless nor less curious. Barlow is a resident of St. Albans, Vt., and Sanderson of St. Louis; the company appears to have been more or less fluctuating. The first-named gentleman was the definable quantity of the concern in the Washington transactions, and he speaks of his sorrows with an instructive mixture of reticence and candor. The associates were of the straw-bid ring, holding and operating mail contracts in Kansas, Colorado, New Mexico, and Arizona ; they had abundant capital, and always had stock for carrying the service on these remote territorial routes. Sometimes a cashier was set up as the straw-bidder, sometimes a lady relative. At the end of the quarter, there would be a declared failure of this bidder, the contract was thrown up, the certified checks with the Department having been returned, and the Postmaster-General was compelled to employ the firm which alone possessed facilities for transportation. For so extended a business as theirs, there was probably never so little book-keeping as by the firm of Barlow, Sanderson & Co. Their papers were of a fugitive and perishable constitution, and, when preserved, were commonly kept in a cellar or a boot-box. Accounts were rendered in gross. Transactions aggregating hundreds of thousands of dollars could only be gathered from loose sheets. Their affairs largely depended upon a class of agreements that were never reduced to writing at all. Twenty, thirty,

NO RECEIPTS.

fifty thousand dollars were paid away to various serviceable individuals at Washington without any recorded acknowledgment or remaining sign, except in the feeble and fallible memory of Mr. Barlow, who, when speaking of the results, innocently expresses it as "a good deal like scattering seed;" an application of the parable which Satan himself might have envied. Repeatedly, when the particular in question is the expenditure of a large sum at a most anxious crisis of his affairs, he is utterly unable to recall either the amount, or the names of the persons to whom it was paid. Enough, however, is produced to indicate the character and proportions of that which is concealed. Two different sets of men were the recipients of the bounty of this firm—the relatives and friends of high officials in the Department, and the Department lawyers, for their influence and vigilance; and outside Assyrians, who would come down like the wolf on the fold, with the menaces and machinery of investigation, and demands for blackmail. To emasculate the investigation, of the Republican committee of the then Republican House upon what are commonly known as the McKibben charges, Barlow admits to have paid, through one Farrar, between forty and fifty thousand dollars. It is obvious that so large a sum would not have been squandered in obscure and uninfluential quarters. McKibben was, besides, placated by the lucrative employment of attorney for the stage business of the firm in California. This contractor testifies to having paid Hood, a lawyer, not for professional services, but for "influence with the Department," over twenty-five thousand dollars. Earle, Creswell's law partner at Elkton, and First Assistant Postmaster-General until he resigned for the opportunity of this peculiar and profitable species of practice—one of those promoters of Chorpenning whom Senator Morrill, of Vermont, declared "should have their day in court",—Mr. Earle was handed $100, $500, $1,000, in the language of Barlow, "any time I was a-mind to," as undefined but current compensation for "aid" and "protection" in the Department.

Q. "Did you ever make any presents? A. Oh, now, since it occurs to me, I did let Gen. Morgan L. Smith have money; he was the brother of Mr. Giles A. Smith.

Q. Is he dead ? A. Yes, sir, he is.

Q. How much money did you pay him ? A. I do not know whether you call it payments or not. I never called it payments at all.

Q. What did you give him ? A. I could not tell you how much I did give him ; I gave him money, loaned it or gave it to him—it is all the same thing—when he asked me for it ; not at regular times, but when he wanted it.

Q. What did he want it for ?

A. I suppose he wanted it to pay his expenses ; he was a pretty expensive man.

Q. Can you not remember the amounts ?

A. I let him have a considerable amount at one time and another.

Q. What do you call considerable ?

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A. I don't know ; I don't know how much I did let him have.
Q. As much as $30,000 ?
A. I should think not ; nor $20,000. I let him have considerable one time and another ; I don't know how much.
Q. What was the object in letting him have that money ?
A. Well, I don't think there was much object in it, any way ; I never thought there was.
Q. You gave it to him whenever he wanted it ?
A. Yes, sir.
Q. At the time you gave it to him who was Second Assistant Postmaster-General.
A. His brother was ; but I never thought that it had a particle of influence ; I never gave it to him to influence his brother, and never thought that it did influence him in any other way than that he would think I was a clever fellow ; that is all."

Very naturally Mr. Barlow's great expenditures for interest and protection within the Post Office Department were much more cheerfully made than his payments of levies to the outside raiders who from time to time were threatening mischief to his contracts. Although his memory is usually defective when questioned concerning the details of his transactions with these last, the same cannot be said of his temper when he has occasion to refer to them, where they are either "devils" to be suppressed, or "hounds" to be kept in leash. It was not investigation, Mr. Barlow, if he is to be believed, feared in the least; only personal annoyance and a jeopardy of the character of his good friends Creswell and Smith.

POSTMASTER-GENERAL CRESWELL'S LITTLE GAME.

And just here may be profitably recalled, by way of contrast to the honest and thorough exposures of the report of the Committee of the present Democratic House, from which we are taking these particulars of the gross mismanagement of postal affairs under the Administration of President Grant, the scandalous suppressions and perversions which characterize the report of the Republican majority in the investigation of 1872. That investigation was compelled by a severe and specific article, published in the Washington *Patriot*. Postmaster-General Creswell was arraigned for malfeasance, among other charges, in awarding a contract for the Oroville and Portland route, in direct violation of law, at a private letting and without advertisement. The route at first had been advertised, and should have been awarded to the lowest bid of $96,000 per annum. Creswell accepted an illegal but lower bid, upon a pretense of economy. This bidder failed to transport, and the Department procured temporary service at $700 a day. Again the service was let at figures far in excess of the rejected bid. Another failure of service ensued, and the Department again secured temporary service at $420 per diem. Then the contract was given without advertisement to Barlow and Sanderson at $142,000 per annum. The illegal if not the corrupt, character of this transaction is too apparent to be insisted upon. Even Assistant Postmaster-General Giles A. Smith testified that he knew of no authority of law for making this contract, as it was made, for the full term. Attorney-General Akerman gave it as his opinion that the proceeding was altogether contrary to law. And now appears an important use in the disposition of the money heretofore referred to as paid to Farrar. These fifty thousand dollars were adroitly employed to divert the investigation of the House committee from Barlow to Sawyer, another notorious and peccant straw-bid contractor, who refused "to bleed." No evidence whatever was sought or taken as to the specific charges affecting Barlow, and Creswell was not only acquitted, but extolled by the Republican majority of the committee as an upright and vituperated public functionary. It will be thought that such a contrast as is here presented of the records of the Republican and the Democratic House should abash the utmost effrontery of cavil.

So also concerning the practice of lavishly and systematically paying corruption money which has obtained at Washington during the Republican administration to influence the operations of the Post-Office Department, there is significant testimony pertinent to Sawyer, whose routes were in Texas. A portion of the evidence of George W. Paschal is as follows :

"Q. State to the Committee whether, in your examination of Mr. Sawyer's papers, you found any other papers, drafts, or memorandum-books that were not

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before the committee when you were last examined? [The witness produced a memorandum book.] A. This memorandum-book was handed to me by Mr. Taylor. Mr. Taylor, in looking over the book, happened to take it up, and brought it to me. It shows some of the running expenses, traveling expenses, and other things.

Q. Is that Mr. Sawyer's handwriting? A. Yes, sir; they are rough notes of running accounts which he kept. I see here 'November,' which seems to be November, 1872. Judging by the dates, I should say that in the past June this entry was made: 'Paid attorneys, mails, $10,000.' On the same page, which would carry it into the next year, 25th February, for the same kind of services, 'attorneys, $8,000.' It is next to the last of the page, on the right-hand side. Then there is an entry here which is a blind account. It is as follows:

Amount paid sharks on account of contract after 1st July.

Wm. H. Farrar, paid by L.	$20,000
Captain Hinds, paid by L.	7,500
Mrs. Stuart, paid by L.	2,000
August, Paid Col. Bell	150
Wolverton	2,000
Phips	3,000
Williamson	2,000
Sept. D. A. F.	2,000
Oct. B. & Co.	2,000
Oct. Wm. H. Farrar	4,000 "

And again, from the testimony of Francis C. Taylor:

COOKING UP ACCOUNTS.

"Q. What amount of those expenses were not put upon the books? A. All the parties interested, I think, were in Austin, Texas, having a sort of general settlement, in November, 1872. I had been engaged for some time in trying to finish up the business between Ben. Ficklin and Sawyer for the Administrator, and Sawyer came on there during the time. Slaughter Ficklin had been there all the time. Sawyer brought with him his account for some $30,000 or $40,000 paid Abbott for coaches, for which he took credit, and which was divided between the different divisions. There were four divisions of staging, and all the parties were there. Sawyer had accounts against my division, and, I think, against all the others. After having various accounts put on the books of the several divisions, Sawyer said, 'Here I have an account,' amounting to considerable, as well as I now remember, from $50,000 to $60,000—and said, 'All the divisions will have to pay their proportion of this.' It was a memorandum showing that amount.

Q. This November settlement or charging up of all the different accounts? A. Yes, sir.

Q. And the $50,000 or $60,000 that was there brought in without vouchers, and which had not previously been entered upon the books, is a separate and distinct item from the $200,000 that you said had been previously entered upon the books? A. Yes, sir; that amount of $200,000 was on a settlement between Ben Ficklin and Sawyer. This other amount of $50,000 or $60,000, I forget which, was for the year from July, 1871, to July, 1872, and was to be divided among the different firms then in existence; and, as Sawyer said, when it was presented, 'Here is an account of money that I have expended in Washington, that must be divided among the different companies.' I don't think Wright objected. I think Scott said a little, and Slaughter Ficklin said considerable, and intimated that such black-mailing operations should not be paid, or something of that kind.

Q. There were no names on the paper indicating to whom it had been paid? A. No, sir; I am satisfied of that. I remember that there were two items of $10,000 or one of $20,000, I am not positive which, and which Sawyer stated or admitted that he had paid to the same party."

To sum up briefly, the methods of these ring contractors in their machinations to compass their ends, Kittle's way, after putting in a *bona fide* bid at big figures for himself, was to corrupt the clerks in the Department so as to find out the lowest bidder, and then put in a series of straw bids, which he could control, through which, by temporary service or a new advertisement, he could control the contract. Peterson's plan, who operated on the western rivers south of St. Louis, was to make a corrupt combination by which he could control all the lines of transportation, thus preventing competition; this control being obtained by repre-

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sentations of intimacy and influence with Creswell and Smith, and in its turn used on Creswell and Smith to get a monopoly of the contracts in his own name, and subsequently, he without money or outfit, to sub-let said contracta so as to net one-third or one-half of the gross amount for which they were let. Barlow and Huntley's way—for they acted really together, though sometimes separately—was to use the subordinates and agents in their employ, including even the women of their families, to put in straw bids on a gradually ascending scale, and generally be able to control the contract on most desirable terms, and in the event of an independent bidder intervening between the sham and the highest bid, they held themselves in readiness to buy out the independent bidder for a bonus, and thus bring the contract up to most extravagant figures. As to the particulars of Kittle's method, they are matters of recent criminal record. Peterson's style of combining and sub-letting has already been illustrated with some detail; and Barlow's own assertion that his party never held a route from which they did not buy off bidders, after the manner in which they purchased out Governor Thompson, of Idaho, makes a specific accumulation of instances superfluous. No wonder, with such opulent opportunities in the contemplation of morbid moral anatomy as were given by these people in their intimate relations with the Department, the Creswell officials should have set up for experts in judging of the character of men by their physiognomy, as when Woodward and Tyner warmly disputed which was the greater rascal from his face, Channell or Chichester.

Increase of service by order of the Postmaster-General has been under this vicious Republican *régime*, a notorious resultant evil of the system of straw-bids; as has also, in a less absolute degree, the unnecessary creation of postal routes. Everywhere throughout the testimony we have evidence of its occurrence with the frequency and directness of cause and effect. Mr. Creswell appears to have been of the mind of Philosopher Square, that it was "according to the eternal fitness of things." Increase of service is of two kinds: increase in the number of trips, and increase in the rate of speed, called expediting the service. The knavery practiced with reference to the first is the subject now presented.

A LOOSE SYSTEM.

For transportation of the mails the advertisement and contract specify a certain number of trips per week each way over the route. If at any time during the contract term it properly appears to the Department, through petitions from the people and from reports of its agents, that additional mail facilities are required, the Postmaster-General is authorized by law to order an increase in the number of trips per week. Such an order carries with it a corresponding increase of pay. Where the contract calls for, say one trip per week, with compensation at $10,000 per annum, if an additionai trip be ordered the pay is advanced to $20,000; three trips would command $30,000, and so on, a trip each day in the week enabling the contractor at this rate to draw $70,000 per annum. It will be readily perceived what reaches of corruption are thus made possible on Territorial routes traversing remote regions and subject to but limited observation.

In issuing the advertisements for postal services, proposals are invited for carrying the mail on a particular route, say, once a week. With the advertisement is published the following notice:

"The Postmaster-General has no power under the law to release bidders and contractors, and their guarantors and sureties from their liabilities on the allegation of real or supposed mistakes, of any kind, in making proposals. He particularly requests that before bidding the fullest inquiry and investigation be made in regard to the route, distance, service, weight of mails, cost of stock, feed, and all expenses, existing and likely to occur, during the contract term, and with due consideration of the consequences imposed by law on delinquents."

After this notice, a *bona fide* bidder in making his estimates, will assuredly allow margin for a fair profit, taking into account all the difficulties, expense, and risks involved in the performance of the service. Having obtained the contract, established his stations along the route, and otherwise arranged for one trip per week, any order that he can procure for additional service, carrying with it *pro rata* increase of pay, gives him a great percentage of profit. It is matter of common information among people advised on the subject of postal contracts that the amount of stock ordinarily employed in transporting the mail once each way over a route, is sufficient also for an additional trip. If any further expense is incurred it is, in comparison to the pay received, so slight as hardly to merit attention.

We will suppose the route, probably a sparsely-peopled expanse of wilderness

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and mountain road, to have been procured by the favorite Ring contractor. The preliminaries havebeen ostensibly observed—the guarantors ohave been been certified to by Postmaster Edmunds, whose vocation it is to swear clairvoyantly to the circumstances of unknown people, and the signatures to the bonds have been attested by some complaisant Washington notary who can make a thousand dollars worth of realty indefinitely available by administering the oath in instalments, and the service is begun. Part of the route is coached, and on parts of it where there is no passenger travel, the "mails"—sometimes a mere pocketful of letters—are carried on horseback or on a buckboard. Presently—within a month or a week, it may be—interest having been previously made with the Postmaster-General, an increase of service is ordered, and the contractor's pay doubled. In some instances, when the necessity for the route itself was altogether doubtful, it has been thus trebled. Penalties for default on the favorite contractor, when default is reported at all, in the shape of fines and deductions, are seldom visited; and when visited speedily remitted, except in perhaps a nominal sum for the sake of appearances, while the honest contractor is held to a vigorous accountability. The Ring contractor's accounts are marked "special," and take precedence in settlement; while the, required certificates of service from the postmasters at the termini, are often forged in Washington and presented as from New Mexico or Colorado with the ink upon them scarcely dry. It was one of Peterson's tricks to run the service regularly on long routes a few miles to and from each terminus that he might spare the tender Republican consciences of the officials in making their reports, while he was neglecting the whole intermediate for weeks together. This prevalent, if not collusive, knavery under his predecessor, by which the Treasury was inordinately plundered, was refused investigation by Postmaster-General Jewell, upon the principle so appropriately recognized, it may be supposed, by a military administration, that dead men should tell no tales.

GLARING FRAUD.

The orders made by Postmaster-General Creswell within a single year for increase of service on Route No. 43,127, considered in connection with the population of the country through which it runs, and the insignificant postal revenue derived from it, bear on their face the most glaring indications of fraud. The route referred to was that which was held by C. C. Huntley of the Northwestern Stage Company, running from Walla Walla, Washington Territory, to Missoula, Montana Territory, a distance of 450 miles. The pay on this route was increased to $71,226 per annum. The intermediate Stations, as entered upon the Department records, are Waitsburgh, Tukannan, Union Flat, Colfax, Rosalia, Rock Creek, Pine Grove, Spokane Bridge, Horse Plains, St. Ignatius and Agency. Here is quite a suggestion of populous geography, but with one or two exceptions the places are scarcely entitled to be called hamlets, while Walla Walla itself, the largest of them all, is but a small settlement. So far as the report of the last census indicates, the sum of their population is a little over three thousand souls. But to avoid cavil we will take the population of the counties in which these places are supposed to be situated, which is 8,588. So the Department pays out for postal facilities to each and every man, woman and child about the sum of nine dollars. Now the postal receipts from all the sixty-three routes of these two Territories was at the time but $44,112, or over $27,000 less than was paid Huntley for running this almost superfluous route. But if it be contended that such a route is in the nature of necessity and the interests of civilization, we will persue the inquiry a little further. Of the 3,341 inhabitants of the places before enumerated, 3,194 reside at or near the termini of the route, leaving only 147 as living along this barren reach of four hundred miles. Again, the above population was otherwise provided with mail facilities. Missoula had a mail outlet to civilization, and the Union Pacific Railroad by a route running to Helena, Montana, over which postal communications was had three times a week. On the other hand Walla taps the railroad seven times a week by the stage route, and it is in addition supplied with mails seven times a week from Portland, Oregon.

Huntley was the first contractor on this route, and his contract called for one trip per week, with pay at $23,000 per annum. This service was increased to three trips, and for the fiscal year ending June 30, 1869, he received $68,967,39. Owing to the presistent protests of postmasters, special agents, and an officer of Internal Revenue the number of trips was, about the close of 1869, reduced to

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one per week. But the complaints in behalf of honesty of these faithful public servants brought the axe to their necks. Huntley boasted of their dismissal.

On the 30th of September, 1869, advertisements were issued for service in the Territories for four years, to commence July 1, 1870. As to the Walla Walla route, proposals were invited for one trip per week, including side supply to Stevensville and Fort Owen. L. L. Blake was the accepted straw bidder at $15,100, and contract was made with Huntley at $22,900. Now, holding in view the history and character of this route—the fraud by which the route was established and the contracts obtained, the ridiculously few people to be supplied with postal facilities, the abundance of supply through other channels, the trifling revenue to be derived by the Department, and the great preponderance of expenditures over receipts, all of which was fully proven to Mr. Creswell—observe his action immediately following the commencement of service under Huntley's renewed contract, which went into operation July 1, 1870.

HUNTLEY'S ALLOWANCE.

FIRST.—On that very day he made an extra allowance. In June, 1868, a Post Office called Tukannon was established in Walla Walla county, Washington Territory, about ten miles off the main route, which at that time was numbered 15,422, and the salary of the Postmaster there stationed was fixed at $12 per annum. Up to the 30th of June, 1873, no change had been made in the salary of this officer, showing that little or no business was transacted by him for the Department; and, moreover, the agent of the Census Bureau, if he happened to find the place, disregarded it, for there is no enumeration. Nevertheless, on the 1st day of July, 1870, Mr. Creswell made an order allowing Huntley $2,130 for pretended supply of this office from June 17, 1868, to June 30, 1870, under his old contract.

SECOND.—Within the same month, to wit, on the 29th day thereof, he issued an order for one additional trip a week on side supply from Missoula to Stevensville, forty miles, with additional allowance of $2,022 per annum.

THIRD.—By the 23d of the following month Mr. Huntley had made interest with him for a yet greater favor; for on that day was promulgated his order for service on side supply extended from Stevensville to Gird's Creek, forty-five miles, with additional allowance of $4,550 per annum. The office of Gird's Creek was of so little importance that no person could be found to act as postmaster, and in the following December it was discontinued and has not been re-established; and the astonishing fact is to be told that the additional pay of $4,550 was, notwithstanding, continued until the end of the contract term, a period of three years and six months.

FOURTH.—Only four months later he presented Mr. Huntley with the equivalent of a large fortune in the shape of an order, dated Dec. 22, 1870, for two additional trips a week between Walla Walla and Missouia, with an additional allowance of $41,754 per annum!

In a general way the manner and effect of "increasing the service"—a power vested in the Postmaster-General—has been explained; and it will now be shown how the Ring has, by directing the preparation of advertisements in the department, opened the way for the exercise of that power in their interest.

For the purposes of the contract office, the States of the Union are grouped in four sections. The first comprises the New England and Middle States, Maryland and the Virginias; the second the Carolinas, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, Ohio, and Indiana; the third, Illinois, Michigan, Wisconsin, Iowa, and Missouri; and the fourth all the remaining States, and the Territories. The contract term for each of these sections is four years, commencing with the fiscal period, but the regular lettings are separated by equal intervals of time.

There are seventeen corresponding, or contract clerks, about equally distributed, each assigned to the business of a particular number of States belonging to his section. It is the duty of the contract clerk to keep a record of bids and awards; to see that provision is made for supplying his post-offices with transportation; to receive petitions for the establishment of new routes and for increase of service, and to examine as to the necessity for what is asked in the petitions; to be familiar with the character of the country through which his routes pass, and to this end he is supplied with maps and all other necessary facilities; to make up and submit cases to his superiors, and to prepare advertisements for proposals. These advertisements are published in a pamphlet, and arranged therein

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according to the numerical order of the routes. The offices on the route are given, as are also the distance, time of arrival and departure, and the number of trips per week. This last is the item which invites attention. It was the object of the Ring to have the number of trips on any given route reduced in the advertisement to one per week in order to ward off competition, well knowing that having once obtained the contract they could by the mere scratch of Mr. Creswell's pen have the service increased and the pay doubled or trebled.

Outside bidders, ignorant of the country and not in the secrets of the ring, were not disposed to risk their capital under a contract for but one trip a week, except at a rate which carried them above competition with the ring. But suppose an outside bidder should assume the risk and obtain the contract at one trip per week, then, indeed, would he feel the power of the monoply. He would in vain attempt to procure an increase of service. The performance of his contract would be watched with the untiring vigilance of cupidity and malice, and he would be subjected upon every pretext to fines and deductions. Reduced to a condition of despondency, he would be approached by an emissary of the Ring with a proposal to sell his contract, and this he would gladly accept. But such a contract is not assignable. This, however, is only an apparent difficulty, readily overcome by the execution of a power of attorney, which carries with it the control of route pay. All that remains to him is the percentage the Ring may consent to bestow. The bargain concluded, the Department at once relaxes, and an increase of service is ordered for the account of the Ring.

Sometimes less service has been advertised for than was actually needed, and in such cases the public have suffered great inconvenience. This was done with a full knowledge by the Department of existing necessities in the Territorial lettings of 1869. The wants of the people, as was foreseen, compelled an almost immediate increase. Take, for example, Route No. 7,587, from Fort Gibson, Ark., to Sherman, Texas, and the direct line of communication between St. Louis to that State. There was need of daily service, and of this fact the Department was fully aware. Such, indeed, was the importance of the route that the Chamber of Commerce of St. Louis petitioned for that amount of service. Yet in the advertisement but three trips were called for. The award was made to a straw bidder at $900, upon whose failure the petition of the Chamber of Commerce was granted, the service was increased to six trips a week, and a contract was made with F. P. Sawyer for the temporary service at $34,296 per annum, the old rate of pay.

Of the unnecessary establishing of postal routes by Creswell, much might be shown, and something incidentally has been. This was not at all confined to the lucrative superfluity of "side supply." There was a route from Washington to Norfolk, down the Potomac, for which there was not a particle of public use. Thus Peterson was largely subsided upon the Mississippi and its tributaries. The Walla Walla case which accrued to the benefit of Huntley has been already exposed in detail. There was a route from Baltimore to Frederickburgh direct, which was continued in order to employ a boat owned by Creswell's uncle. The testimony is full of revelations and suggestions pertinent to this matter.

We rise from a perusal of this testimony before the committee, with conclusions that we would fain have escaped—which are abhorrent to the upright conscience, and which pall with melancholy and perturb with forboding every sentiment of patriotism. Nor would we have the reader, who has gone with reasonable attention and continuity through the evidence adduced in this startling investigation, to confine himself to the report of the majority of the Committee. Let him also read as much as he can of the tedious and labored sophistry of the dissenting Republican minority. He will have already observed the peculiar character of Mr. Cannon's style of cross-examination—for it was nothing but such in all its interested and technical rigor, and will be able justly to estimate that assumed incredulity and adroitness at coloring and suppression which pervade the minority report, of which that gentleman is the reputed author. He questions the witnesses, not from a spirit of civic integrity, earnest to ascertain and arrest the gangrene which had fastened upon the Department, but like a mere Tombs' tactician in a clean shirt, "I am not asking that; how do you know that? and, what of that? or, have you examined all the papers of the forty thousand routes to ascertain this?" Mr. Cannon may be assured that the common sense and average intelligence of his fellow-citizens are much superior to the wiles of brow-beating interrogation, and if he were to insist, for an instance, upon negativing Jupiter out of the planetar

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system by, "How do you know Jupiter; were you present at Jupiter; are you sure Jupiter is not metaphysical?"—he would hardly be able to disturb, with a ripple, the moral and astronomical convictions of mankind.

NO VIGILANCE EXERCISED.

That no reasonable corrective vigilance was exercised by Postmaster-General Creswell, and that he repeatedly disregarded, always in the interests of fraudulent contractors, what he should have strictly observed, the letter of the Statute, are too manifest to admit of dispute. Speculation naturally turns to the motives of his conduct. Misfeasance and malfeasance officially persisted in over long periods; and by the same ambiguous methods, cannot be satisfactorily explained to the general mind by an assumption of ignorance or accident. It is the business, as it is the opportunity, of so prominent a functionary to know the law, and it is his duty to respect and execute it. Under the law, Peterson was not qualified to become a contractor, being neither the owner nor master of any vessel; yet Mr. Creswell repeatedly and directly contracted with him. Again, the law was violated, in that Peterson entered into a combination to prevent the making of bids for certain routes. This was well known to the Department, as appears from the testimony of Postmaster-General Creswell himself. Yet, knowing these things, Mr. Creswell continued to him his confidence, and bestowed upon him valuable contracts. With a full knowledge of the character and operations of this man, neither Mr. Creswell nor Mr. Smith ever deemed it necessary to investigate the matter of his contracts or the manner in which he performed the service; nor did they ever abridge his contracts, but they paid him money, in violation of the regulations of the Department, in the absence of any certificate that the service had been rendered. It was not until the accession of Mr. Jewell that this ill-favored contractor ceased to plunder the public revenues. That section of the postal laws which stringently provides against postmasters or other officers of the Department affixing their signatures to certificates of sufficiency of guarantors, except in due course and with proper knowledge, was constantly and notoriously set at naught—this proscribed business having been part of the daily routine of J. M. Edmunds, Postmaster at Washington. Unquestionably, money was paid to Ring contractors both without certificates and upon false certificates. The Treasury was defrauded of great sums both by the creation of unnecessary routes and by needless increase of service upon those already established. The financial condition of the General Post-Office is only to be conjectured by the reported deficiencies of the service, for it is not to be found, like that of the army, navy, etc., in the annual statement of the Secretary of the Treasury; a circumstance very favorable to the prosecution of crooked methods.

SOLICITING SECRET CONFEDERATION.

How very little regard was shown for the pecuniary interests of the Government and the tax-payer, is evidenced by the astonishing spectacle of an Assistant Postmaster-General soliciting from the presidents of railroads by confidential letters secret confederation with himself for the purpose of extorting greatly augmented pay for their postal service.

How very little sincerity there has been in the professed desire for reform within the Republican party and by its own administrative action, is conspicuously shown by the appointment of Tyner, who was Creswell's most active defender when a member of the House and upon its Committee on the Post-Office during the investigation of 1872, as an Assistant Postmaster-General, and his subsequent advancement, upon the summary removal of Jewell, to the headship of the Department.

It may be the misfortune of functionaries like Creswell and Smith to be generally suspected from their continued conduct of interested collusion with public plunderers; but no man can question that they have devolved upon themselves that burden of proof which shall attest their innocence. Nor can we fittingly characterize the emptiness of that plea which, while admitting a prevalent corruption, would recoil from its remedy—which while confessing the limb to be mortified, timorously protests that amputation might be death. For a people whose once manly virtues are sunk to the ignoble level of such a doubt at such a crisis, the decadence of free goverment is not merely beginning; it is already far accomplished.

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LITTLE JOHNNY DAVENPORT.

THE REPUBLICAN PARTY USI G THE PUBLIC MONEY FOR PERSONAL AND PAnTISAN PURPOSES.

The Committee on Expenditures in the Department of Justice of the House of Representatives, at the late session of Congress, examined into the use of the "Secret Service Fund" of that Department. It was ascertained during this examination that large sums of this fund, amounting in the aggregate to $34,000, had been paid, at different times during the last few years, to John I. Davenport, Chief Supervisor of Elections for the Southern District of New York, to be expended by him for the alleged purpose of "detection and prosecution of crimes against the United States," in the City of New York, in connection with alleged frauds in elections in that city. The manner of the procurement and expenditure of this large sum of money by Mr. Davenport, and the criminal carelessness of the Department of Justice in expending this fund, "diverting it from its proper use to one entirely foreign to the objects of the law," as developed by the testimony form a chapter in the history of elections in this country of the most singular character and startling significance, involving the President of the United States himself.

WHAT THE TESTIMONY SHOWS.

John I. Davenport, who is thirty-three years of age, was an officer on the staff of Gen. Butler while he had command of the Department of Virginia and North Carolina, during the late war. He had charge of all the scouts, spies and officers of that character in that Department. It was a part of his business to obtain a roster of Lee's army, with the regiments, regimental commanders, brigades, divisions and corps, and to know where they were throughout the day and night.

His duties brought him into communication with the commanding general, and thus he became acquainted with Gen. Grant.

Subsequent to the war he served for a while as secretary to the Hon. E. D. Morgan, when he was in the Senate of the United States. He was employed as a clerk in November, 1868, by Samuel I. Glassey, Esq., and Gen. John A. Foster, of New York, who were retained as counsel for the Union League Club of that city, to conduct an investigation into frauds alleged to have been committed at the election held in that city in November, 1868. Mr. Glassey took him into partnership with him in the practice of the law in November, 1869, which association continued until the 1st day of May, 1871.

The investigation into the alleged frauds at the election in New York City in November, 1868, was inaugurated by the Union League Club, by the appointment of a committee to take measures for that purpose. A memorial was addressed to Congress, and in pursuance thereof the Committee was appointed. Mr. Glassey testifies that during the investigation he and Gen. Foster employed Mr. Davenport as a clerk to assist them, and that he continued in their employment as a clerk and was paid as such for several months.

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Mr. Davenport testifies that "he was selected by the Union League Club to act as their attorney before the Committee" and that "he acted both as the attorney of the club and as the clerk of the Committee," (House Report No. 800, 44th Congress, 1st Session, p. 45), the impropriety of which, if true, will be apparent to every fair-minded person.

THE ATTORNEY OF THE UNION LEAGUE CLUB.

Following the report of the congressional committee, which was made in the early part of 1869, efforts were made to obtain legislation by Congress for the regulation of elections for members of Congress by United States authorities, and the amendment of the laws regulating naturalization. Mr. Davenport was in Washington city during the years 1869, 1870 and 1871, for the purpose of obtaining this legislation. The first act passed by Congress was the act entitled "An act to enforce the rights of citizens of the United States to vote in the several States of this Union, and for other purposes," approved May 31, 1870 (known as the "Enforcement Act.") Subsequently an act to amend the same, approved February 28, 1871, was passed. In the meantime an act to amend the naturalization laws and to punish crimes against the same, and for other purposes," approved July 14, 1870, was passed. Mr. Davenport testifies that he was in Washington "procuring the passage of these laws, as the attorney of the Union League Club, and with credentials from them as their attorney." (Report of testimony, p. 45.)

Mr. Davenport was unusually active in securing the passage of the act of February 28, 1871. It provided for the appointment by the Circuit Court of the United States, upon the recommendation of the judge thereof, from among the Circuit Court Commissioners in and for each judicial district in said judicial circuit, of a chief supervisor of elections, whose duties were specifically defined by the act.

DAVENPORT AS CHIEF SUPERVISOR.

The fourteenth section of the act fixed the fees of the chief supervisor and provided for his payment at the Treasury of the United States. Mr. Davenport had been appointed a Circuit Court Commissioner immediately after the passage of the act of May 31, 1870, and consequently was eligible to the office of chief supervisor created by the act of February 28, 1871. The selection of the person to fill the position, it was known, would be made by the managing republicans of the city of New York, and it was generally understood beforehand that if the bill passed Mr. Davenport would get the appointment under it, which he did at once upon its passage.

The act of February 28, 1871, was amended by the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1873, and for other purposes," approved June 10, 1872. Mr. Davenport claims to have been largely instrumental in securing the passage of this amendment. This amendment (with others) was placed upon the bill of the Senate after it had passed the House. The House was willing to concur in all the amendments except this one, and on motion of Mr. Garfield, of Ohio, the House non-concurred in the amendments of the Senate and agreed to a conference thereon.—(*Cong. Globe*, 2nd session, 42d Congress, part 5, p. 4,435.)

FALSE PRETENSES.

The false pretenses by which this action of the House was secured, and the subsequent passage of the bill thereby accomplished, were stated upon the coming in of the report of the Conference Committee recommending an "enforcement" amendment by Hon. W. D. Kelly as follows:

"Mr. Speaker, I now move that the report of the Committee of Conference be re-committed to that Committee. I make this motion under a deep sense of responsibility, and I ask gentlemen to hear me for my cause and to be silent that they may hear. I make it and propose to briefly sustain it in behalf of a cause that is as dear to me as life, to which I have devoted my best years, and in which I have more than once periled my life; that is, the integrity and supremacy of the Republican party, which I believe to be endangered by the position of this bill. I am also constrained to make this motion by a proper sense of self-respect. Nothing will reward a man for the loss of self-respect. I feel this morning that if by the force of a mere majority we drive this bill, embodying as it does the

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enforcement amendment, through Congress, we will commit an act which, so far as I and a number of gentlemen around me are concerned, will be regarded as in the category of acts for which I have more than a score of times sentenced men, theretofore respected in the community in which they lived, to solitary confinement and penal labor.

"This bill reached its present stage by what, in the light of information in my possession, appears to be false pretenses, which are characterized by all the features necessary to sustain a conviction under the law of Pennsylvania. On Saturday last the minority of this House, by virtue of parliamentary law and of the usages of this House: not by the weakness of the Republican party, not by the weakness or lack of fidelity on the part of members of the Republican party, but, as I have said, by virtue of parliamentary law and usages long and well known to the House and the people of the country, the minority party of this House held this bill in its power. Leading members of that party said to us, 'Take from the bill one amendment, and you may have all the other provisions without question; take from it one provision, and you may complete your appropriations and adjourn.' This being the condition of the bill, there came upon this floor a Senator who was then a member of the Committee of Conference to consider and adjust the disagreeing votes thereon, and I vouch gentlemen around me, for the fact that from him went forth the assurance that if the opposition would permit this bill to go to a Committee of Conference the Senate would recede from the objectionable amendment. It was also known that he who must be Chairman of the Committee of Conference on the part of the House disapproved of that amendment, and had given open and public assurance that he disapproved it as heartily as gentlemen on the other side could do."—(*Cong. Globe*, 2d Session, 42d Congress, part 5, p. 4438.)

"LITTLE JOHNNY" ANXIOUS.

In addition to this amendment of the act of February 28, 1871, the bill contained an appropriation, "for the expenses which may be incurred in the enforcement of that act," of the sum of $3,200,000 for the fiscal year ending June 30, 1873, of which sum $200,000 was available for the fiscal year ending June 30, 1872. Mr. Davenport was so much interested in the passage of this amendment, that, being in the City of New York and unable to visit Washington in time, he procured the amendment of the Committee of Conference to be telegraphed to him in full. Mr. Davenport had seen the reports of the proceedings of Congress in the newspapers and in his opinion the Committee were getting the amendment into a shape that would defeat its object — "they didn't see where it would land," Upon receipt of the proposed amendment he telegraphed to the different members of the Committee relative thereto.

It appears from the testimony that Mr. Davenport, still not satisfied with the enforcement act, prepared a bill something more than two years previous to the investigation by the committee, entitled "An act to amend the act of February 28, 1871." and secured its recommendation by one of the standing committees of the Union League Club, of which he was a member; that he personally presented it in Washington and appeared several times before a sub-committee of the Judiciary Committee of the House to advocate its passage.

Sometime previous to this Mr. Glassey heard that Mr. Davenport "had established a printing-office, and that he had a large job in contemplation." Within a few weeks after he got that information he found that Mr. Davenport had the above bill pending before the Judiciary Committee. He sent a statement of objections to the bill, and shortly afterwards was requested to appear before the sub-committee of the Judiciary Committee, which he did twice, to argue against the bill. The bill never emerged from the sub-committee.

A VERY BIG JOB.

The bill, Mr. Glassey testified, was "a very big job"; one that "had a great deal of money in it if it got through." It authorized the chief supervisors of elections to go into the courts which have the power of naturalization and procure copies of all their records pertaining to naturalization. The cost of making these copies was to be paid by the United States in the shape of fees to the chief supervisors, and it was estimated by Mr. Glassey that if he had made copies of those on file in New York City the cost would have been something over $300,000.

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The chief supervisors of elections in each district were authorized, if not required, by the bill to be present and attend in all courts in the districts which had the power of naturalization, to supervise, and take notice of, and participate in the proceedings for naturalization, and for such supervision the chief supervisor should receive $5 per day. There was also a provision of the bill authorizing chief supervisors to institute proceedings to cancel certificates of naturalization. Having investigated the facts he could certify the evidence and his opinion to the Circuit Court, which might thereupon enter judgment and declare the naturalization void.

Mr. Davenport claims to have begun, late in the summer or early in the fall of 1870, to follow out, under the act of May 31, 1870, the investigations of the Congressional Committee of 1868. He had copies of the registry made at the November election in 1870, and supervisors were appointed at that election under the act of Congress. But the law was not satisfactory to Mr. Davenport and he laid the facts before the Union League Club, which, he claims, resulted in the passage of the act of February 28, 1871.

MR. GLASSEY MAKES A DISCOVERY.

Mr. Glassey testified that, being interested in the subject of procuring pure and honest elections, he sought the aid of several gentlemen, including Mr. Davenport, during the summer of 1871, to concert with him a plan which would secure that end without any partisan object to be attained by it. Mr. Glassey had much to do with election matters in the city of New York, and during their association with Mr. Davenport became familiar with his views upon the subject. Sometime in October, 1871, Mr. Glassey discovered that Mr. Davenport had been making use of the information thus obtained to make a bargain for his own private benefit with the "Committee of Seventy," which had then been appointed, telling them that the plan was of his own contrivance, while he represented to Mr. Glassey that the Committee had refused to do anything with the subject. When Mr. Glassey made this discovery, he closed his acquaintance with Mr. Davenport.

Some time before the 1st of May, 1871, Mr. Glassey having heard that Mr. Davenport was obtaining information from the Census Marshals for use at elections, and believing that the census returns, which, until collated and returned were not properly accessible to anybody but the officers of the Government, and should not be used for political purposes, he made that one of his reasons for dissolving the partnership with him.

Since Mr. Davenport's appointment as chief supervisor of elections, the testimony shows that he has done a large amount of work in the preparation of "index-books," block-books," &c., in the execution of his plan for the prevention of frauds at elections, for which he has received and disbursed large sums of money. In the prosecution of this work he has employed such clerks as he thought necessary to perform the labor, the number being varied according to circumstances.

DAVENPORT'S PATRIOTISM.

During the time that Mr. Davenport was engaged in this work he received funds to aid him in the accomplishment of it, besides the $34,000 which he received from the Government of the United States, amounting to a very large sum, from private contributions, the "Committee of Seventy," the Union League Club, and the Republican State Committee of New York. In addition thereto he received the most liberal allowance of fees provided for by the act of Congress. He had been specially interested in the section of the act of Congress fixing the fees, it being the only section which he took the trouble to read to Mr. Glassey, his partner, at the time he was drafting the bill, and after explaining to Mr. Glassey the purport of it, told him that he could make it worth $15,000 or $20,000 at every general election.

Mr. Davenport asserted, however, that these large contributions were not sufficient to meet the necessary outlays of the work he had on hand; that he had spent of his own money (borrowed money) $15,000 more than he had received from these sources.

HUGH HASTINGS THE LOBBYIST HAS A FINGER IN THE PIE.

Under these circumstances, finding that there was an annual appropriation of $50,000 to the Department of Justice "to be expended under the direction of the

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Attorney-General, in the detection and prosecution of crimes against the United States," Mr. Davenport determined to obtain some portion of it, if possible. For this purpose he went to Long Branch in the summer of 1871, where, in company with Mr. Thomas Murphy and Mr. Hugh Hastings, he had a conference with the President on the subject. He took with him "some books and things" upon which he had been at work, and a plan of what he proposed doing, which he exhibited to the President. He induced the President to believe that he was "doing a great work," and persuaded him to address a note through Gen. Porter, his secretary, to Mr. Akerman, at that time Attorney-General of the United States, requesting him to employ some of his fund through Mr. Davenport to aid him in his scheme.

Mr. Akerman, in answer to this note, informed the President of the appropriations he had already made, and others which he contemplated making of that fund, and that possibly the appropriation which he suggested might interfere with them, and requested the President's views under these circumstances of the fitness of applying it in this way. The President replied in a short time, saying that he conceived this object of sufficient importance to receive an amount of that fund, notwithstanding these other appropriations.

Therefore, Mr. Akerman, in a communication dated Aug. 18, 1871, notified Col. H. C. Whitley, Chief of the Secret Service Division of the Treasury Department, that the sum of $5,000 of the fund for the detection and prosecution of crime in the United States would be placed in his hands to be used in furtherance of the objects of the appropriation, in the city of New York, and that Mr. Davenport, United States Commissioner, had been in conference with the President on the subject and would acquaint him with the object in view. Upon receipt of this notification, Col. Whitley paid the amount mentioned over to Mr. Davenport in installments at such times as he required it, taking his receipt therefor.

DAVENPORT AFTER THE PEOPLE'S MONEY.

Mr. Davenport did not receive any more of this fund until Mr. Akerman had resigned and Mr. Williams had succeeded him as Attorney-General. In the summer of 1872 Mr. Davenport went to Mr. Williams, then Attorney-General, with a note from the President, according to Mr. Williams' testimony, stating that Mr. Davenport was engaged in a very important work in New York city, for the purpose of preventing frauds at elections and requesting the Attorney-General to furnish Mr. Davenport with some funds to aid him in the prosecution of that work. Mr. Williams told Mr. Davenport that he would pay the money as he had been in the habit of doing, with respect to this fund, to Col. Whitney, and take his receipt therefor, and that Col. Whitney would pay the money to him (Mr. Davenport) in accordance with the wishes of the President. Under this arrangement Mr. Davenport received $29,000, the balance of the $34,000, of which amount $20,000 was paid to him during the Presidential campaign of 1872.

Col. Whitney objected to paying the money to Mr. Davenport as he "did not know what he was doing with it." He had frequent interviews with the Attorney-General, in which the matter was discussed, in which the Attorney-General said he did not like to do it himself, but that he was overruled in the matter, being instructed by the President to do it.

Mr. Williams admitted that he had no knowledge of Mr. Davenport having received any money from the Attorney-General's office previous to the first payment made by him, nor did he know what Mr. Davenport did with the money which he paid him, after he received it. He could only say that all the money that was paid to Mr. Davenport, with his knowledge or his consent, was paid to him exclusively to be used in the preparation of certain books then being prepared by Mr. Davenport, and if any money was paid to him for any other purpose, or used by him for any other purpose, it was without his knowledge and contrary to his instructions. The Attorney-General took no receipts from Mr. Davenport for the money.

DAVENPORT RENDERS NO VOUCHERS.

The only vouchers in his office were the receipts given by Col. Whitley. Mr. Davenport had never rendered any account of the manner in which he expended this large sum of money, either to the Attorney-General or Col. Whitley, nor would it have been known to the public that he had received it at all, but for the investigations of the Committee.

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Mr. Davenport claims to have proceeded under the Act of February 28, 1871, to have prepared registers for the supervisors of election, and furnished them with the same; to have indexed the registry alphabetically, showing the name of every voter, his assembly district, election district, residence, name, color, how long in the State, how long in the county, how long in the assembly district, whether naturalized, and if naturalized when, and the court; whether a qualified voter or not, and the date on which he registered, and each ticket which he voted (page 47), for which book he expended this very large sum of money.

It appears, however, that the practice of arranging a registry list in this manner was adopted by inspectors of election as their own notion long before 1868, and it was part of a scheme devised by Mr. John H. White and some other prominent republicans of New York City, to be put in operation at the election of 1868. It could not be carried out in its entirety, because the registration did not close until Saturday preceding the Tuesday on which the election took place, but is provided for now by the State laws of New York, and has been ever since 1873.

Mr. Williams, Attorney-General during the time when the greater portion of the $34,000 was paid to Mr. Davenport, testifies that he does not think it is the duty of a supervisor of an election to prepare such a work, showing a registration of the voters; but it is made by law the duty of a supervisor, in case he considers it necessary to prevent frauds at elections, to have made for him by his subordinates, lists of the registered voters in each election precinct in his district, but the work done in the preparation of these books by Mr. Davenport "was no part of his duty as an officer of the Government."

TOO THIN!

Mr. Davenport, when called upon by the committee, produced a large number of receipts, mostly of employees, as vouchers for the expenditure of the $34,000. The first series of the vouchers bore date May 1, 1871, several months before he received the first installment of this fund, while the most of them were dated over two years after he received the last installment of $3,000, which was in November, 1873. The committee did not regard these receipts as vouchers for the expenditure of this fund. It was in evidence that many of the receipts were obtained by and furnished to Mr. Davenport after the investigation of the matter was begun by the committee, and during the period in which Mr. Davenport's testimony was being taken. It was also in evidence that many of the receipts were given for money paid for work done for the "Committee of Seventy," a committee which had no connection whatever with this fund. Besides, Mr. Davenport kept no separate account of this fund, but mixed it with his own and other funds, amounting to a very large sum received, as before stated, from private contributions from the "Committee of Seventy," the Union League Club, and the Republican State Committee of New York.

Mr. Davenport presented on account for payment at the Treasury of the United States for services rendered and expenses incurred at the election held on the 5th of November, 1872: The account embraced the following items:

FOR SERVICES.

To filing 2,141 applications for appointments as United States Supervisors, at 10 cents each	$ 214 10
To administering 3,888 oaths of Supervisors and Deputy Marshals, at 10 cents each	388 80
To filing 3,888 oaths of Supervisors and Marshals, at 10 cents each	389 80
To filing 3,505 registry and verification books, at 10 cents each	350 50
To filing 951 reports of examination of houses and voters and reports of Supervisors, at 10 cents each	95 10
To filing 924 Commissions of Supervisors, at 10 cents each	92 40
To filing 2,590 returns of canvass, at 10 cents each	259 00
To indexing 79,995 folios of records of office, at 15 cents per folio	11,999 15
	$13,787 85

FOR EXPENSES.

To bill of J. X. Brown, as annexed, (Mr. Brown's bill was annexed)	4,842 50
	$18,630 35

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There was deducted from this account:

Charge for 750 oaths administered by Commissioner Shields to Supervisors and Deputy Marshals, disallowed or not payable to Chief Supervisor	75 00
	$18,555 35

POOR FELLOW!

This sum was allowed by the Treasury Department and paid to Mr. Davenport. Mr. Davenport, in forwarding the account, wrote a letter of explanation to the First Comptroller of the Treasury, dated April 29, 1873, in which he stated:

"My accounts, as Chief Supervisor, may seem somewhat large, but they are in strict accordance with law, and the work performed has actually lost me for clerical labor, together with the amount of Brown's bill, (which is attached to the account, and which has been paid by me,) some ($13,000) thirteen thousand dollars, so that there is comparatively but a small amount coming to me for, practically, two years' work."

Mr. Brown was called as a witness by the committee and testified that the money necessary to carry on his printing business was furnished by Mr. Davenport and that the establishment was his, though he (Brown) conducted the business as if his own. He estimated the amount of money invested in the establishment by Mr. Davenport, in labor and materials, at $25,000. Notwithstanding, therefore, the printing office belonged to Mr. Davenport and consequently the bill rendered by Mr. Brown belonged originally to Mr. Davenport, he states in his letter to the First Comptroller that the bill had been paid by him.

THE GOVERNMENT BLED FREELY.

The evidence taken by the Committee also shows that much of the time of the clerks who were employed by Mr. Davenport and paid by him out of the $34,000 obtained from the Attorney-General's office, was occupied in preparing the oaths, filing the papers, and indexing the records of his office, for which he was paid in the foregoing account. Indeed, a very large proportion of the labor of these clerks was devoted to making the alphabetical index, upon which Mr. Davenport relied with so much confidence for the detection of frauds. He admits in his letter to the First Comptroller that it was "such work as Congress did not contemplate, and, therefore, must be paid by him individually;" yet he employs clerks, who are paid out of funds belonging to the Government, to do the work and then charges the Government for the work the sum of $11,999.15. In addition to these sums Mr. Davenport was paid at the Treasury for issuing, as Commissioner, about 1,224 warrants for the arrest of persons charged with illegal registration, in 1872, the sum of one dollar for each warrant, amounting in the aggregate to about $1,224.

The following sums were paid to Deputy United States Marshals and Supervisors of Election for services at the election held in the City of New York, November 5, 1875, to-wit:

Amount paid Deputy Marshals, on headquarters roll	$3,925 00
Total paid Deputy Marshals, district rolls	50,590 00
Total paid Deputy Marshals, on Supervisors' rolls	23,885 00
Total paid Deputy Marshals, on supplementary rolls	7,155 00
	$85,555 00

There was also paid for extraordinary expenses incurred in enforcing the acts of Congress in relation to elections, at the same election, the sum of $15,132.20. Of this amount the sum of $6,906.41 was paid to John I. Davenport for "clerical services of a large force of men, amounting at one time to forty."

A USELESS EXPENSE, OF COURSE.

Mr. Samuel J. Glassey, who is a well-known lawyer and citizen of New York City, has taken a great deal of interest in the matter of honest elections, and is familiar with the working of election laws in New York, testified before the committee as to the appointment of Deputy Marshals at elections, "that there had been no earthly necessity for the appointment of any, and especially for elections since 1870;" and that "appointing them was simply using public money for the

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benefit of the lower class of politicians for rendering merely nominal services." Mr. Glassey also testified with respect to the character of the men usually appointed as deputy marshals, as follows: "In a city like this (New York) there are always hundreds of men who have hardly any regular employment, who are chronic seekers of small offices, hangers-on to the politicians of all grades and stripes. About the time of election they make a little money by doing miscellaneous work for candidates. It is from that class of men that these supervisors and marshals, especially the marshals, are most likely to be selected. Their pay is a per diem fixed by law ($5.00), and for as many days, not exceeding ten, as the Marshal and the Chief Supervisor may choose to certify."

DAVENPORT'S WARRANTS.

The circumstances under which the 1,224 warrants were issued were extraordinary; and it is difficult to ascertain from them the real purpose which Mr. Davenport had in view in issuing them. The facts, as stated by Mr. Davenport in his testimony, were as follows: The supervisors had at the polls, on the day of registration, taken down the names of persons registering, with the particulars. They then took the books containing this registry and went from house to house and made inquiries respecting these names. When a person could not be found to answer to the registered name the conclusion was reached that it was a fraudulent registration—a registration by a fictitious person. Against all such persons, or fictitious persons, rather, Mr. Davenport, as United States Commissioner, issued warrants of arrest for illegal registering. He believed at the time of issuing the warrants against the names that appeared on the registration list that there were no such persons. The warrants were issued on the night preceding the election and delivered to the marshals to be executed at the polls on the day of election, in the event any person should appear for the purpose of voting in the name against which a warrant was issued. Mr. Davenport also furnished a list of the names to the newspapers for publication on the day of election. These were the means to which he resorted for "the *detection* and *prosecution* of crimes against the United States."

A LITTLE BLADDER BLOWN BIG.

Mr. Davenport, in his letter of explanation to the First Comptroller, indulges in the following boastful paragraph:

"This year, being a presidential year, and one of great excitement, the registration amounted to 149,000; but the vote, owing to the remembrance, on the part of those who indulged in frauds, of the severity with which they were treated two years ago, and to a knowledge of the elaborateness and detail of the work of my bureau, reached but 132,000, and the majorities in this county were some 30,000 less than four years ago."

Now, when examined upon the point of the number of persons who had been tried, convicted and punished for election frauds during the time he had been Chief Supervisor, Mr. Davenport stated that he "knew of *three*," two of whom were convicted for offences committed at the election of 1870. Is it astonishing, therefore, that under such a result "the severity with which those who indulged in frauds in 1870 were treated" should have become notorious?

Having said enough in the foregoing paragraph to indicate to the First Comptroller the eminent success of his operations in the way of reducing Democratic majorities, and to accomplish a purpose which, he, no doubt, had in view, Mr. Davenport continues:

"I shall not refer to political majorities, for I am cognizant of the fact that, officially, neither you nor I have anything to do with them; were it not a notorious and conceded fact that *in* such majorities were the frauds against which Congress endeavored to afford relief by the enactment of the election law."

This paragraph is somewhat obscure when we take into consideration the fact that the election law is a general one, applying alike to all portions of the United States. If Mr. Davenport refers alone to the "majorities" in the City of New York, it is difficult of belief "that *in* such majorities were the frauds against which Congress endeavored to afford relief by the enactment of the election law."

REDICULOUS.

The First Comptroller, upon the receipt of Mr. Davenport's account, called upon him, in a short note, for an explanation of the charge of $11,999.15 for in-

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dexing 79,995 folios of record. Mr. Davenport, in reply, gave what was accepted as a satisfactory explanation. In the reply he stated ; "I may add that the expense in the future will be but slight, as I have indexed and entered my records in such manner that nothing will have to be added but the record of those who may become voters at a date subsequent to the last election, and those who may die or remove, will be the only subtractions to be made, leaving the vast body of my records good for years, and putting the Government to little expense in the future."

Notwithstanding this statement, when another election occurred in the City of New York, at which a Representative in Congress was chosen in the place of Hon. James Brooks, deceased, Mr. Davenport presented an account at the Treasury for $4,812.65, which embraced an item for indexing 28,666 folios of record, at 15 cents a folio, amounting to $4,299.90. This account was accompanied by another letter of explanation from Mr. Davenport, in which, as in his former letter, he laid great stress upon the expenses of his office.

THE FIRST COMPTROLLER PRESSES DAVENPORT.

The First Comptroller again called upon Mr. Davenport for an explanation of the item for "indexing" records.

In his letter, the Comptroller says: "I am at a loss to understand your statement with regard to the expenses of your office, and can only presume that for reimbursement of the larger part of them, you look elsewhere than to the Treasury of the United States. But that is your affair. My business is with the account before me." He then refers to the item for indexing, and cites the foregoing paragraph from Mr. Davenport's former letter, and concludes as follows : "In the account to which you then referred $11,999.15 were charged for indexing the records relating to all the voting precincts in the city. In the present account more than one-third of that amount is claimed for indexes for a single Congressional district."

Mr. Davenport in reply to this letter entered into the details by which, what he was pleased to term "the blunder" in making out the account, was committed, fixing the blame upon a "trusted clerk." After a full explanation of the plan which he had adopted and the work he had done under this plan, in the special election, for which his account was rendered, with the usual reference to the large amount of his expenses, which explanation Mr. Davenport said was necessary to make the matter "clear" to the Comptroller, he continued as follows : "That account was prepared in the following manner : I directed a trusted clerk to ascertain by actual count the correct number of the various items of charges against the government, and then to make up the account in form similar to that of 1872, a copy of which I furnished him with. He subsequently presented me the account now before you in proper shape, and stated that the figures therein set forth were accurate, and had been obtained as I directed ; whereupon, believing the account true, I swore to it and left it at the Treasury Department together with Commissioner's accounts for a portion of the year 1871, and also for a portion of 1873.

"I now ascertain upon a full investigation of the whole matter, that my clerk, laboring under a misapprehension as to the law, assumed that the entire records in 1873 were to be charged for, and therefore counted them, ascertained they amounted to 28,666 folios, and inserted that number in the bill, whereas the records pertaining to the Sixth Congressional District, which were alone a charge against the Government under the law, amounted to but 5,980 folios. The error is one the possibility of which never occurred to me at the time, and yet, as I now see it, one which an employé might innocently make; and while I cannot express the regret and annoyance its discovery has caused me, neither can I hold myself free from blame therefor when I think it might have been prevented had I not assumed that the law, which was so well known to me, was quite as well understood by a subordinate, or had I examined in detail the figures themselves."

DAVENPORT COMPELLED TO DISGORGE.

We suppose this explanation was satisfactory to the Comptroller. It is certainly a model of fullness and explicitness, and while we sympathize with Mr. Davenport on account of "the regret and annoyance which the discovery of the mistake caused him," we find some consolation in the fact that its discovery saved to the Government the sum of $3,402.90.

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Mr. Davenport's account for services and expenses at the election held on the 3d day of November, 1874, amounted to $10,970.15.

It will be seen from the foregoing that Mr. Davenport has received from the Government for services and expenses as Chief Supervisor of elections the following amounts:

For the election November, 1872	$18,555 35
For the special election November, 1873	1,409 75
For the election November, 1874	10,970 15
	$30,935 25

This amount does not include his accounts as Commissioner, which amounted to $2,616.90 in November, 1872.

The amount of the U. S. Marshal's account for Supervisors and Deputy Marshals and for extraordinary expenses for the special election, November, 1873, and for the election, November, 1874, is not shown by the testimony, but it is reasonable to suppose that it reached the usual large sum.

A PROFITABLE EMPLOYMENT FOR A REPUBLICAN PATRIOT.

It is shown by the testimony of Mr. Davenport that there "passed through his hands" during the canvass of 1871, the sum of $35,000 coming from the "Committee of Seventy." For his personal services he received from the "Committee of Seventy" $8,000 or $10,000.

The Union League Club, after the passage of the act of February 28, 1871, paid Mr. Davenport for services the sum of $1,500 and remitted his dues as a member of the club for one year. Mr. Davenport received from subscriptions in 1873 and 1874 for printing his book about $10,000. He also received from the sale of these books about $3,000. The Republican State Executive Committee paid him at one time the sum of $2,000.

Notwithstanding the receipt by him of these very large sums of money, Mr. Davenport still claims that he has expended more money in the prosecution of his plan for the detection of frauds than he has received from all sources, a statement which, under all the circumstances, appears incredible. When he entered upon this work his partner, Mr. Glassey, testified that he was heavily in debt to him for money advanced and that he was constantly applying for more, giving as reason therefor his personal necessities to meet family expenses, stating that he could not collect from the Government the money that he had earned as Commissioner.

The manner in which the money furnished by the government was expended shows the greatest degree of carelessness and criminal extravagance. Many thousand dollars were spent for carriages for the use of supervisors for which the most exorbitant charges were made, when there was little if any necessity for them. One of the witnesses testified that they had "pretty heavy carriage bills sometimes" as they "had very fine carriages, when the had any at all."

In some instances bills for carriages were rendered and allowed without the amounts having been expended for the same by the party rendering and receipting the bills.

ALBERT KUNZ.

One Albert Kunz, who held the position of chief clerk and disbursing-clerk of the detective office in New York, of which Colonel Whitley had charge, and who according to his testimony "was a sort of privileged character there," and did the "inside work" in organizing "political meetings," says that he received for "his own personal expenses" for money used in "getting up these meetings," from Colonel Whitley, the sum of $325. Other expenses for carriages, and now and then a bottle of wine used by Mr. Kunz in "traveling around" the city of New York with "all sorts of people," the friends of Colonel Whitley visiting houses of ill-fame, &c., were paid by Col. W., and Mr. Kunz testified he was "free to confess," he "had no doubt in his own mind" that "the money came from the secret service fund," and the vouchers taken therefor were for "services rendered" or, "expenses incurred." Mr. Kunz further testified that "he had no hesitation whatever" in saying that portions of the secret service fund "were used for political purposes."

It is shown by the testimony of William A. Donnelly, that he was in the employ of Mr. Davenport, and had charge of his work most of the time he was

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with him, from early in January, 1872, to about the middle of August, 1875, at a salary of $1,800 per annum. He was called the "private secretary" of Mr. Davenport. About June or July, 1872, Mr. Donnelly was notified that he was in the employ of the "secret service division" and that he was "detailed with Mr. Davenport."

He was paid for his services by the secret-service division for about two years, continuing during that time to perform the same services for Mr. Davenport that he had previously performed and which he subsequently performed, that of "private secretary, and general clerk and stenographer, and taking care of his papers and books."

Mr. Davenport kept his office at his house, but before the fall elections he has always taken a certain large room at the Fifth Avenue Hotel for his headquarters. The rent of this room, amounting one year to $440, has been included in the "extraordinary expenses." The room is adjoioing the one always occupied by the Republican State Executive Committee as their headquarters. Mr. Davenport was in constant communication with the committee, being "in and out" of their room several times a day.

A LITTLE TYRANT.

Mr. Davenport, acting as Circuit Court Commissioner, has made a large number of arrests for alleged violations of the election laws, and in most cases has required the accused to give very heavy bail. He has been overbearing, contrary and factious in his manner in the discharge of his official duties. His language has been very abrupt and arbitrary to counsel. He caused the arrest of Mr. George A. Heinrich, one of the most respectable German citizens of New York city, and when Mr. Heinrich's respectability, age and appearance, &c., which it was claimed showed his was not a case of intentional flagrant violation of the law, were represented to him, he said "that was just the kind of man he wanted; that it would strike terror into the minds of others, and be a very good example." He cast Mr. Heinrichs into prison, where he kept him confined for two days, notwithstanding his readiness and ability to furnish any amount of bail, reasonable or otherwise; and then, after admitting him to bail, failed to attend to examine into the charges.

SIMON STERNE.

Mr. Simon Sterne who was Secretary of the Committee of Seventy during its existence was examined by the Committee touching the necessary qualifications of a chief supervisor of elections, and the fitness of Mr. Davenport for the discharge of the duties of the office. He said with respect to a chief supervisor for the City of New York, that "he should be a man entirely non-partisan in his mental characteristics and in his feelings. He should possess of all qualities the judicial function; and he should possess considerable knowledge of the local politics and local affairs of the City of New York." He said with respect to Mr. Davenport that "he knew him quite well;" that "he had some fitness for the office; (of chief supervisor) that is, he has considerable knowledge of local politics in the City of New York, and local politicians; but he lacks entirely the judicial element, according to my estimate of him." He said further: I regard him as a partisan, a very violent partisan, and I don't believe, with the best intention to be perfectly fair and impartial that he can be."

Mr. Glassey testified that he "did not believe any such office of chief supervisor should exist, but if it should exist, it should be held by somebody who is absolutely removed from the possibility of being tempted into political activity. The duties cannot possibly be discharged by a person who has a strong political bias." With respect to Mr. Davenport's fitness for the office he said: "I think he is an eminently unfit person to hold that or any other office of trust or responsibility."

SUMMARY

It appears, therefore, that the office of chief supervisor of elections in the City of New York, with a population equal to that of many of the States, has been created by an act of Congress in the passage of which Mr. Davenport was largely instrumental; that he was appointed to the office immediately upon its creation upon the recommendation of prominent republican politicians; that he has put into operation a scheme for the prevention of frauds in elections of an intricate and most expensive character which he claims to have been of his own contrivance, but which in fact was adopted by others long before 1868; that he

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drew from the Government of the United States the sum of $34,000, a greater part of which was drawn pending the Presidential Campaign of 1872, for which he never accounted in any manner until called upon by the Committee on Expenditures in the Department of Justice at the recent session of Congress, and the Committee, before which he then produced certain receipts or vouchers for the expenditure of this fund, refused to regard them as such; that in the prosecution of his scheme he has become the proprietor of a printing establishment in which he has invested the sum of $25,000, and at which, as Chief Supervisor, he has large amounts of work done at the expense of the United States Government; that he has been criminally extravagant in the expenditures of public moneys for carriages and other unnecessary expenses; that he has employed a large number of clerks in filing papers, etc., and indexing records in his office, for which he has received large fees from the Government for his private benefit, and at the same time paid these clerks their salaries out of Government funds; that he has used his office for partisan purposes, being in constant communication with the Republican Committee of the State of New York, while in the discharge of his duties as Chief Supervisor of elections; that he has exercised the functions of his offices in an arbitrary, abrupt and overbearing manner; that he has sought to intimidate voters and prevent the free exercise of the elective franchise by arresting respectable citizens and casting them into prison as an example, so that it might strike terror into the minds of others; that he has diverted the money paid him by the Government of the United States from the object the Attorney General had in view when he paid him the same; that he is a very violent partisan, eminently unfit to hold the office of chief supervisor or any other office of trust or responsibility; and that the sum total of all the convictions under his elaborate scheme of index-books, etc., towards which the Government has contributed $34,000 from a fund appropriated by Congress "to be expended under the direction of the Attorney General in the *detection and prosecution* of crimes against the United States" reaches the number of three.

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THE WHISKY RING CONSPIRACY.

THE DISCLOSURES THAT MADE THE WHITE HOUSE TREMBLE.

The public has been so accustomed during a long series of years to see the whole power of the Federal Government exerted to stifle rather than stimulate investigation, to conceal rather than expose fraud, to shield rather than punish great criminals, that it witnessed with amazement the inexorable sternness with which Hon. Benjamin H. Bristow, while Secretary of the Treasury, waged his warfare against official corruption. It was so utterly at variance with the previous practice of the heads of that department; was so radically different from the official conduct of all the other members of Grant's cabinet; was so directly in antagonism with the policy of the administration, and the uniform action of the Republican majority in Congress, that the people began to wonder whether it was possible that the leaders of the dominant party had really determined to undertake the task of cleansing their own Augean stables. They were not suffered to remain long in doubt. Murmurs of discontent soon began to come from "the active managers" of the "party machine," and, by and by, the smothered notes of dissatisfaction swelled to thunder tones, and the official head of the officer, who was endeavoring "to destroy the party" that he might "mount to the Presidency on its ruins," was fiercely demanded. A few honest Republicans stood by Mr. Bristow, and vainly hoped that the masses of their party would rally to the support of "reform," and in spite of the "machine politicians," make the most conspicuous reformer within the organization their candidate for the Presidency. How grievously they were mistaken all the world knows. The canvass for Mr. Bristow was ably and energetically conducted. His friends had the most thorough organization, and the convention was held in the very stronghold of his supporters. The most tremendous local influences were brought to bear, and yet, in spite of all these advantages, he was most signally defeated. No matter to what lengths the friends of all the other candidates might go in opposition to Blaine, Morton, Conkling or Hayes, they, one and all, agreed that Bristow must be defeated at all hazards. "Anything to beat Bristow," was the rallying cry of the vast majority of the delegates to the Cincinnati Convention.

But even this condemnation of Bristow and his "reform policy" was not sufficient to appease the wrath of the "machine" politicians. He must be still further disgraced by his enforced retirement from the Treasury Department. To avoid this Mr. Bristow resigned and to escape dismissal his faithful and efficient first-lieutenant, Hon. Bluford Wilson, the Solicitor of the Treasury resigned also. Within a very short period of time, Hon. D. D. Pratt, Commissioner of Internal Revenue, who had co-operated heartily with Mr. Bristow in his war upon the Whisky Ring, was compelled to retire, and the same malevolent spite which drove these high offiicals into retirement, seeks out the lowest of their subordinates, and the bare suspicion of having been a friend of Bristow is sufficient to secure a first-class clerk his dismissal. Is not all this in perfect accordance with

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the history of the Republican party during the last decade? why expect politicians whose whole political lives have been devoted to the defense of official venality to become reformers; to go back on the men who have made them what they are; who have, year after year, divided their spoils, and thereby supplied the party with the sinews of war? "Can the Ethiopian change his skin, or the leopard his spots?"

A BIT OF HISTORY.

Let us briefly glance at the record the party has made since 1870. When the abuses in the New York Custom House had become insufferable, and all the principal merchants, irrespective of their party affiliations, demanded relief from the petty exactions of the Customs officials, and the abolition of the monstrous extortions of Leet & Stocking, the warehouse monopolists, a distinguished Republican Senator moved an inquiry to discover whether these manifold complaints were justified by the facts. The resolution was resisted most strenuously, and the author of it denounced as an enemy of the Administration and a fomentor of strife within the party to which he owed allegiance. After days had been consumed in factious opposition, public sentiment finally compelled the majority to order the inquiry; but, contrary to the uniform practice of parliamentary bodies, the Senator who had offered the resolution was ignored and one who had persistently opposed it was made chairman of the Committee. The result was the merchants of New York were investigated and the cormorants who had preyed upon them escaped.

Again, when two Republican Senators, conspicuous above their fellows, demanded that the scandals which were connected with the sale of arms to the agents of the French Government should be sifted to the bottom, they became at once the targets at which every servile follower of the Administration aimed his calumnies. Although both Mr. Sumner and Mr. Schurz disclaimed any intention to impugn either directly or indirectly the Secretary of War or any member of the President's household, still it was charged by their assailants that they were attacking the integrity of the Administration. The popular voice was so loud in seconding the demand for an investigation that the majority was again forced to yield; but with the same manifest determination to prevent any damaging disclosures, the two Senators who had originated the inquiry were left off the Committee. The whole power and influence of the Administration was openly exerted to restrict the investigation, and witnesses who had signified their intention to unbosom themselves were waylaid on their arrival at Washington by Gen. Babcock and bought off by promises of political preferment; and these bargains were recognized and fulfilled subsequently by the President.

To prevent the disclosure of all the facts in regard to the payment by the Secretary of the Navy of $93,000 on a claim which had not only been rejected by his predecessor, but had been prohibited by the Congress of the United States, every species of insult and every sort of intimidation were resorted to by the Committee to deter witnesses from telling the whole truth; and when, in spite of all their efforts, the facts were clearly proven, the Republican members of the Committee not only justified the illegal action of Secor Robeson, but applauded it. This verdict of not guilty, in defiance of the law and the testimony, has unquestionably cost the country many millions of dollars, for Secor Robeson accepted it as a license to be a "law unto himself" in the squandering of the public moneys, and has gone from bad to worse, until his management of the navy is universally conceded to be not only recklessly profligate, but replete with the most monstrous jobbery. And yet in the face of these facts he is, since Delano retired with a certificate of good character, the favorite member of the Cabinet.

BRIBE TAKERS AND CORRUPTIONISTS ELEVATED TO HIGH PLACES.

The proof, clear as holy writ, establishing the corruption of a half dozen of the most conspicuous Republican members of the House of Representatives, was adduced by Oakes Ames; but a partisan majority refused to expel them, and at the next session Mr. Speaker Blaine exalted these Credit Mobilier bribe-takers to the highest posts in that body. One of the number, who had been rejected as an unworthy public servant by his constituents, had a foreign mission from the President, and another, who had convicted himself of perjury in addition to bribe-taking, got a certificate of character, with the assurance of the continued esteem of President Grant.

The nomination of Boss Shepherd to be one of the rulers of the District of

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Columbia after he had been proved to be a monstrous public robber, and in the face of the report of a committee of the two Houses of Congress, which recommended the abolition of the territorial government of which he was the head, is a still more conspicuous example of the President's disregard of public decorum. And by retaining General Babcock as his confidential, illegal private secretary, after he had been convicted of aiding and abetting the District Ring to rob the national Treasury of more than a million of dollars by the means of false measurements, the President gave the tens of thousands of subordinate office-holders in the land to understand that in his eyes it was no crime to rob the Government. The invitation to Dick Harrington to attend a private party at the White House, when he was on trial in a court of justice for having conspired with noted criminals to destroy the good name and fair reputation of a prominent citizen of Washington, was a still more flagrant act ; for it was an intimation to both Court and jury that in the opinion of the Chief Magistrate of the nation it was no crime to rob a man of his character.

The memorable Credit Mobilier exposure by the NEW YORK SUN in 1872, and the subsequent developments which the public sentiment of the country compelled, shocked the nation. At first the people doubted the possibility of such gigantic bribery, and refused to believe that the most conspicuous leaders of the Republican party were guilty of accepting bribes at the hands of the agent of a swindling corporation. But the subsequent developments reluctantly made by a Congressional committee established the truth of every charge made by THE SUN. The public confidence was destroyed, and their political idols ruthlessly broken. Revelation after revelation of official corruption and robbery followed in quick succession, and the conviction settled down upon the public mind that without a speedy reformation of our civil service, the canker of corruption, which had attacked the very vitals of the body politic, would be incurable. And yet the President, supported by every prominent leader of the Administration party in the Senate and House of Representatives, sturdily resisted the universal demand for reform. Every proposition to eradicate monstrous evils like the Sanborn contracts, or to suppress those public robbers who were preying alike upon the Government and the Indians, was persistently fought, and independent Republicans who dared to lift their voices for these reforms were denounced as traitors. The recognized organ of the Administration at Washington launched anathemas day after day at the heads of "the base cravens who cowered before the denunciations of the independent press," and, by "their words and acts, gave the color of truth to the wholesale charges of corruption which the opposition leaders" indulged in daily.

BEGINNING OF THE WHISKY RINGS.

For years it has been patent to every sensible man that the Government was annually defrauded of millions of dollars by the failure to collect the revenue on domestic spirits. The commercial statistics of the country demonstrated this fact. The total registered capacity of all the distilleries in the United States was time and again shown to be less than the aggregate sales reported from a few commercial centres; and the ruling price per gallon was quoted as conclusive evidence that there must be an enormous production of illicit spirits, because it was less than the admitted cost of production, with the tax added. The official reports of the Commissioner of Internal Revenue were analyzed, and it was shown that, with more distilleries and a greater aggregate registered capacity, there was a proportionally less return of revenue from spirits when the tax was seventy cents per gallon than there was from the same source with a tax of only fifty cents per gallon. These statements were confirmed by honest manufacturers and dealers who came before the Ways and Means Committee of the House of Representatives to protest against the increase of the tax from seventy to ninety cents. These men declared that their business was ruined by the dealers in illicit spirits, and they would either be forced out of the manufacture or else driven to fraud. Secretary Bristow came before the Committee to advise against the increase, and did not hesitate to state that he was convinced that the revenue service failed to collect the tax even at seventy cents, and to increase it twenty cents would only be adding a premium on rascality. But in the face of all these incontrovertible facts, the Committee recommended the increase, and Congress sanctioned it. The whisky lobby again proved itself omnipotent to wield the majority in Congress. That the increase was a job in the interest of

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the Ring speculators every honest man knows who witnessed the proceedings and watched the influences brought to bear on the Ways and Means Committee and Congress.

CONGRESSMEN CORRUPTED.

But, after all, this was but a repetition ef the legislative historv of our excise laws. A careful study of the official record proves that from 1862 down to 1874 the majority in Congress invariably legislated in the interest of speculation and jobbery when it increased the tax on whisky. When the first internal revenue bill was reported from the Ways and Means Committee in 1862 a tax of twenty cents per gallon was recommended on domestic spirits. A determined effort was made in the House of Representatives to include spirits already manufactured. It was pointed out by the advocates of this amendment that the question of imposing an excise duty on spirits had been agitated for months, and the popular demand being strong in its favor, the production had been vastly increased, and immense quantities of spirits were held by speculators, in whose favor it would be unjust to discriminate. The whisky lobby gathered like vultures at Washington, and thronged the corridors of the Capitol. Congressmen were met at every turn by the agents and advocates of this incipient Whisky Ring. The majority voted to tax only the future production of spirits. The principal argument advanced against the proposition to deal equitably with the speculative and industrial interests was that with an unorganized revenue service it would be impossible to collect the tax on the whisky already manufactured. This was but the beginning; and as the war lasted and the expenditures of the Government swelled, shrewd observers saw that there must be a further increase of taxation, and they set about preparing to profit thereby. A further increase of the tax on domestic spirits was agitated. The manufacturers made a feeble show of opposition, but secretly advocated the measure. They knew very well that the burden would have to be borne by the consumers and not by them. Months before the Thirty-ninth Congress assembled the preparations were completed. Distilleries had multiplied in every quarter, producing enormous quantities of spirits. The regulations of the Internal Revenue Bureau allowed goods to be transported in bond, and the spirits passed from one hand to another, nominally under the eyes of the revenue officers, but the tax was not required to be paid until the holders were ready to place it upon the market. It was estimated by well-informed people that there were more than 25,000,000 gallons of spirits thus held in bond.

THAD. STEVENS'S BILL.

On Jan. 12, 1865, Thad. Stevens reported from the Ways and Means Committee "A bill to increase the internal revenue and for other purposes." It was read a first and second time, and made the special order for the 14th. The bill amended the act of July 1, 1862, so as to provide that in addition to the duties payable for licenses, there shall be collected, levied, and paid on all spirits that may be distilled and sold, or removed for consumption and sale, of first proof, the duty of sixty cents on each and every gallon." To give this act the semblance of fairness, it was provided "that all spirits on hand for sale, or removed for consumption or sale, upon which no duties have been paid or collected, *and upon which no returns have been made,* whether distilled prior to the date of this act or not, shall be subject to the rates of duty provided by this act from and after the 12th day of January, 1864." The catch in this provision was in the words which I have italicized. If the distiller had made his tri-monthly returns under the regulations, the tax was assessed, and the goods, although in the hands of the speculators *in bond,* were exempted under the proposed law, notwithstanding the tax had not been paid.

One of the most desperately contested fights now ensued that was ever witnessed in the House of Representatives. Fernando Wood of New York led off by proposing an amendment to the bill which would include the spirits on hand as well as those hereafter to be produced. Where the tax of twenty cents had already been paid only forty cents per gallon was to be collected; but otherwise the spirits on hand were to be treated the same as those manufactured after the passage of the act. He declared that speculators had been advised of what was to be done, and that millions upon millions of gallons were held in anticipation of this legislation. At the lowest estimate, he said, there were 25,000,000 gallons on hand under control of speculators, and if forty

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cents per gallon was assessed upon this stock, the Government would realize at once therefrom a revenue of $10,000,000.

Wood's amendment was supported by Pike of Maine, Washburn of Illinois, and Kasson of Iowa. The former said "that when the Tax Bill of 1862 was passed, the House in Committee of the Whole voted to include the spirits on hand, and that he voted with the majority in favor of the proposition. Subsequently when the bill came up for passage in the House this feature was voted down, and two reasons only were assigned for this course. One was the difficulty of collection without an organized revenue force, and the other was that the tax in prospective would give all the revenue the Government wanted. Neither of these reasons would hold good now."

TAXING THE STOCK ON HAND.

Mr. Kasson of Iowa combated the idea that there was anything wrong in the proposition to tax the stock on hand. The British Government, he said, made a distinction between spirits used as a beverage and those employed in manufacturing purposes. The former were taxed and the latter exempted; but that Government always taxed the article on hand when it increased the tax. He pointed out the injustice of exempting the spirits in the hands of speculators, as follows: "A large accumulated stock is on hand. You add by this section of the bill an increased tax of forty cents per gallon upon all spirits to be hereafter manufactured, and until that accumulated stock is exhausted you shut up every distillery in the land, because you supply the holder of the stock on hand a margin of forty cents per gallon profit."

Mr. Pike, in sustaining Kasson's argument, said that "the stock on hand was equal to one year's consumption, and that it was being largely increased every day; for in view of the probable action of Congress in excepting the supply already made, vast quantities were being produced. It was being added to at the rate of 2,365,000 gallons per day." He sustained these statements by quoting from letters he had received from dealers in Boston, and from the chief grain exporters of Chicago.

Mr. Washburne said, "To my mind the proposition is very simple. It is whether we shall levy this tax on parties who hold stocks of the article, or whether, letting them go free, put the amount of the tax in their pockets which they will collect out of the consumer. It is the few speculators in whisky against the great mass of the consumers."

Stevens resisted Wood's amendment, and was zealously supported by Lovejoy of Illinois, Morrill of Vermont, and nearly all the leading Republicans, with the exception of the three already quoted. Lovejoy, coming from the district which then included Pekin and Peoria, Illinois, the largest-producing region in the country, had the audacity to move to amend the bill so as to place a tax of $1 per gallon on all spirits produced after July 1, 1864, and to exempt all produced up to that date. Mr. Morrill contended that it was unjust to tax the stock on hand, which he admitted was largely held by speculators; but it was impossible to reach these men by legislation. He harped on the corner groceries and cross-road groggeries, and asked if it was proposed to send the revenue officials to every shop and through every cellar to hunt for the stock on hand. It would be impossible to collect the tax, he cried, and this was the whole burden of his argument. Stevens did not deign to argue. He simply cracked his party whip, and demanded that the majority should follow him and vote down the proposition of "the rebel sympathizer from New York."

STEVENS ASTONISHED.

But to his amazement his command was not obeyed, and Wood's amendment was adopted by a vote of 85 to 30. This contest had consumed ten days, and the bill went to the Senate on Jan. 22. It was immediately referred to the Finance Committee, where it remained until February 2. In the meantime the Whisky Ring, now thoroughly alarmed, concentrated all its strength on the Senate. The kings of the Ring in those days were the Crosbys of Chicago and Pike of Cincinnati. There were millions at stake, and the lobby swarmed about the Capitol. On the 2d of February the Finance Committee reported the bill to the Senate, with Wood's amendment stricken off and another added, placing the tax on spirits produced previous to July 1, 1864, at 60 cents, and increasing it after January, 1865, to 70 cents and again after Jan. 1, 1866, to 80 cents, with the stock on hand each

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time exempted. The bill as amended passed the Senate with little or no opposition, and came back to the House Feb. 5. Now was Stevens's opportunity. He moved to suspend the rules and report the bill with the Senate amendments. His object was to get it before the House without having it go to the Committee of the Whole, and by forcing the previous question cut off debate as well as amendments. He succeeded in having the rules suspended and the bill reported, but Mr. Washburne immediately moved to non-concur in the Senate amendments, which gave his side a chance to debate and offer amendments.

Stevens, finding that he was not to have it all his own way, deigned for the first time to give any reasons for his course. He said that he had obtained from the Treasury an estimate of the amount of spirits on hand, and it would not exceed 200,000 barrels. To place a tax of 40 cents per gallon on this, would only bring in $4,000,000, even if it could all be collected. It was not possible, however, to find more than one-half of it, and what was the use of fooling about the trifle of $2,000,000 ?

MR. WOOD'S REPLY.

In reply, Mr. Wood said, " Those whose duty it is to protect the public interest have not thronged the avenues to this hall. They have not buttonholed members of the two Committees of both Houses of Congress. Gentlemen connected with the Committee of Ways and Means on the one hand and with the Finance Committee on the other hand have not been buttonholed by those who desire to protect the public interest, or the public treasury; but by those who are looking to the protection of their individual interests to the exclusion of the public interest. And it is from this quarter, Mr. Speaker, that the gentleman gets his information which he has just presented to the House. He says that there are only 200,000 barrels to be affected by my amendment. Why, sir, I can name three men in the city of New York who own almost half that quantity themselves, neither of whom is a merchant or a legitimate trader in any article of merchandise or production whatever. As I said on a previous occasion, I repeat here now, that in advance of the recommendation of the Commissioner of Internal Revenue, in advance of any official publication of the deficit of the revenue arising from this article, in advance of any conclusion on the part of the Secretary of the Treasury, and in advance of the assembling of Congress, persons, not distillers, not traders, not merchants, but politicians, who have no other trade or occupation, were in possession of information that enabled them to purchase whisky at forty-six cents a gallon, which went up in November to sixty-one cents a gallon, and in the month of December to ninety-two cents a gallon."

Mr. Washburne said : " I am aware of the great efforts which have been made —the successful efforts which have been made elsewhere—since this bill passed the House, to sink it. And it is to be seen by the vote to be taken here whether those efforts have been equally successful in this House."

Lovejoy was sick, but he sent a letter, which the Whisky Ring advocates managed to have read by the Clerk, under pretence of explaining his absence. It was an *ad captandum* appeal to pass the bill with the Senate amendments. Mr. orrill insisted that it would " be utterly and absolutely impossible to enforce the execution of the law if Wood's amendment was adopted." The distillers, he said, would shut up and sell out, and the Government would derive no revenue from this source at all, and might be bankrupted. Finally, the motion to non-concur in the Senate amendments was taken and carried by nearly three to one ; but the next moment Wood's amendment was voted down by 77 to 73.

The Whisky Ring won by three votes. Fabulous fortunes were made by th advance in the price of whisky, and the Crosbys and Pikes, and hundreds of others, counted their gains by the million.

A VAIN APPEAL.

But this was not the end. It was but the entering wedge, in fact. On the 11th of April, Morrill of Vermont reported from the Ways and Means another tax bill that increased the tax on whisky to $2 per gallon and after July 1st, 1864, and exempted the stock on hand at that time which had been reported. Mr. Washburne made a gallant struggle to have the bill amended so as to include the stock on hand, and he was ably seconded by Kasson of Iowa and Wood of New York, but the odds were now too great. He declared that he believed the Government had lost $30,000,000 by the defeat of Wood's amendment to the previous bill, and he appealed to the patriotism of the members to remedy as far

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as possible the great wrong which had been done by supporting the same amendment to the present bill. He appealed in vain. The whisky lobby was now dominant, and some of the men who stood by him a month previous were now opposing him. Two notable cases of this kind were Schenck and Garfield. Kasson of Iowa endeavored to make these recreants understand that the motives which influenced them were understood by the public. He quoted from the leading Republican papers of the country such extracts as this: "We repeat, who believes that with no new facts submitted, and with the sentiment of the country overwhelmingly the other way, the whisky vote can have been honestly run up from 30 to 77?" Another organ had the manliness to say, and Kasson quoted it, "The whisky vote could not have been honestly run up from 30 to 77. We believe that bribery ran it up."

The majority was dead to shame, and the bill to increase the whisky tax to $2 went through. And thus in less than six months the men who had engineered the job were enabled to more than quadruple the money they had invested in whisky. That they secured this Legislation by bribery no sane man who knows the ways of Washington doubts. There were various ways in which a Congressman could be made to see that it was to his interest, as Oakes Ames said, to favor the increase, but the favorite and safest way was to give their confidential broker a call for, say 200 barrels of whisky at 50 cents, presentable after the passage of the bill. This was done in more than a score of cases. But fn addition to "puts and calls," there were large contributions to campaign funds, both for general and local purposes. It is said that Schenck's campaign expenses were always paid by the Whisky Ring.

A PREMIUM ON FRAUD.

With the tax at $2 per gallon, there was indeed a high premium on fraud. To produce a gallon of whisky costs from 15 to 20 cents, so that if a distiller could manage to run off a few barrels of "crooked" every day he was getting rich very fast. He could afford to pay liberally for the privilege of turning out hundreds of barrels per week, not only to the revenue officers, but to all the campaign funds. That it was from this source that the Republican managers drew so large a proportion of their election expenses in 1868 the following facts demonstrate:

In 1868 Mr. Rollins, who was then Commissioner of Internal Revenue, was very anxious to resign. He had become associated with the Cookes in the organization of the National Life Insurance Company, and desired to accept an important and lucrative position in the management of the concern. He communicated his intentions to Secretary McCulloch, and desired him to secure the appointment of his successor at as early a date as possible. The Secretary informed the President, and a successor to Mr. Rollins was nominated.

The instant this contemplated change was made known, the executive managers of the Republican party determined to defeat it. There were several gentlemen named for the office, but it was soon ascertained that they could not be confirmed by the Senate. Finally the name of a gentleman was suggested to the President who had sufficient influence with certain Republican Senators to secure a confirmation, and it was known that he would be nominated.

This discovery excited the Republican managers very much, and they set about defeating the plan. Finding that they could not prevent the confirmation of the proposed nominee, they went to Gen. Grant and told him that it was absolutely necessary to the success of their party that Fall that if any changes should occur in the Internal Revenue Department it should be in their interest.

There was great danger, they said, that if Rollins resigned the President would nominate a man who would be confirmed by the Senate, and, therefore, Rollins must be pursuaded to stick. Grant at once suggested that the appointment of Columbus Delano might be secured, and he went in person to Secretary McCulloch and requested Delano's appointment; but finding that there were no hope of accomplishing this, he went to Rollins and insisted that he should not resign. He did not, and all the whisky men of the Republican Congressional Executive Committee were happy. Rollins had, by the many vexatious regulations which he prescribed, closed many of the Eastern distilleries. The few that were not shut up by official regulation made in the interest of crooked whisky producers, were soon driven out of business by the glutting of of the market with whisky which had paid no tax.

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That a large campaign fund was raised from this source in 1868 will scarcely be questioned; and that a still greater sum was drawn from the same source in 1872 will not be denied, with the knowledge of recent developments fresh in the public mind. But there was one significant fact brought out in the trial of Avery in St. Louis that does not seem to have attracted any attention.

Ex-Commissioner Douglass in his testimony told how he had, as far back as the summer of 1862, become convinced that there was something wrong in the West, and he determined to make a transfer of revenue officers from the East to the West. He made some effort to accomplish this, but he was compelled to defer it until after the elections. He waited until the elections were over, but found that he could not carry out his plan, owing to the opposition it aroused.

When Secretary Bristow came in he again proposed it, and it was favorably received and determined upon; but again there was influence sufficient to secure the postponement of this experiment until after the elections of 1874. Then, and not till then, was this transfer of officers, which he had recommended as far back as 1872, finally ordered. Then came McDonald's visit to Washington and his ride down the avenue with the President, and Joyce's telegrams to Babcock to crush out the enemies of St. Louis, and Babcock's reply thereto that he had succeeded and "the goose hangs altitudelum." Putting all these things together, and connecting them with the reminiscences of the campaign of 1868, which have been related, is not the conclusion inevitable that Grant knew then and knows now that the Whisky Ring was more or less an adjunct of the Republican Congressional Executive Committee?

THE WHISKY RING CONTROLLED CONGRESS.

In the light of these facts, is it singular that a gigantic conspiracy should have been entered into by the distillers to defraud the Government? From the beginning, the majority in Congress was controlled in the interest of the distillers and speculators. This was accomplished either by direct bribery or by contributions to political campaign funds, and perhaps by both methods. The local revenue officials were always appointed at the dictation of the member of Congress, who, in turn, owed his nomination and election largely to the whisky men. And when to this community of interests we add the well-established fact that the Commissioner of Internal Revenue was, by either political or other influence, always controlled in the interest of the Ring, we cease to wonder at the facility with which the Government was annually defrauded of millions upon millions of dollars. Nor is it strange that these conspirators thought themselves absolutely secure so long as the present Administration was in power.

All the developments made in the various trials of the whisky-ring conspirators establish the fact that the various local Rings at St. Louis, Evansville, Chicago and Milwaukee were simply the component parts of a great concentric combination. The relations between Chicago and St. Louis and Milwaukee have been shown by the indictment of Dan Munn, late Supervisor of Internal Revenue for the district of Illinois, Wisconsin and Michigan, at St. Louis, Milwaukee and Chicago. That he was not convicted at Chicago proves nothing, because the whole power of the White House and the department of justice, as will subsequently appear, was at the time of his trial exerted to break down the whisky-ring prosecutions. The conviction of Babcock with the St. Louis branch of the whisky-ring, and the President's intimate relations with McDonald and Joyce, have been demonstrated to the satisfaction of every candid mind.

But the connection of the White House with the Northwestern branch of the Whisky Ring is infinitely closer than that which united it with the St. Louis combination. The Federal officials at Chicago have since 1869 been appointed at the dictation of the Galena Ring, the head and front of which are J. Russell Jones, Grant's particular crony, now Collector of Customs, and Ben. H. Campbell, Bacbock's father-in-law, and Marshal of the Northern District of Illinois. Jones was appointed Marshal of this District by Lincoln, but he devolved the duties of his office on his deputies, and spent a considerable portion of his time at Grant's headquarters in Tennesee and afterward in Mississippi, where, it is believed he drove a large and very profitable business as a trader in captured Confederate cotton. In one transaction, as he afterward admitted, he cleared $13,000: and on his return from one of his visits South he purchased for himself, as well as for Gen. Grant, a large interest in the Chicago West Side Street Street Railway, and got himself made President of the Company.

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THE GALENA RING.

Some time after this Jones induced one of his deputies who had purchased fifty-two acres of land adjoining Central Park, Chicago, to let him have a one-half interest in the property for himself and Grant at the original cost, which was only $141 per acre. The ground was worth much more than the first cost at the time, but the deputy was promised the Marshal's office as an inducement to him to take in Jones and Grant on the ground floor. The property is now worth nearly $4,000 per acre, and as the Marshalship went to Babcock's father-in-law, of course the disappointed deputy considered that he was swindled out of $6,743, the difference between the present value of the twenty-six acres and the price at which he sold the same to Jones and Grant.

Ben. H. Campbell had acquired a bare competence in legitimate business before he left Galena. He was not by any means a rich man. The Marshall's office by law nets the incumbent only $6,000 per annum; yet within less than six years Campbell has acquired a vast fortune, variously estimated at from $500,000 to $1,000,000. He is now one of the largest stockholders in the West Side Street Railway, having purchased at one time $50,000 of stock from Jones.

The Collector of Internal Revenue was the creature of Campbell, but as he has been gathered to his fathers we will not dwell upon either his sins of omission or commission. But of the Supervisor, Dan. Munn, something must be said. He came from Southern Illinois, originally, and was the pet of Senator John A. Logan. He is now under indictment for participation in the frauds at St. Louis, Milwaukee, Springfield, Illinois, but there is no probability that he will ever be brought to trial.

HOW THE ROGUES WERE SHIELDED.

There was abundant evidence to secure Munn's conviction at Chicago, as well as that of ex-United States District Attorney Jasper D. Ward, the champion of Grant's Arkansas job in the last Congress. The reason why they were not convicted will abundantly appear hereafter.

Chas. Farwell, of Chicago, ex-member of Congress from the Third District of Illinois, and Cox, the Chairman of the Republican Central Committee of that State, came within two votes of being indicted at Chicago, in Nov. 1875, for conspiring to defraud the Government by the manufacture of "crooked whisky." It was proven that he had advised certain distillers to knock in the heads of whisky barrels in order to prevent the Government from obtaining proof of its being illicit. There was also pretty conclusive evidence adduced to establish the fact that he was a silent partner in the distillery of Messereau. Farwell admits that there was a business relation between the house of John V. Farwell & Co. and Messereau, but he claims that it was simply that which a banker bears to a special depositor whose money is taken to accommodate the latter. It happens, however, that John V. Farwell & Co., of which he's a partner, is a wholesale dry goods concern, and when it is known that Messereau's distillery is situated in an entirely different part of the city, more than three miles distant from John V. Farwell & Co.'s place of business, it will strike the public as a very singular circumstance that the distillers should come so far, and pass by fifteen or twenty banks on the way, to deposit with Farwell for convenience only.

The district under the supervision of Dan Munn included Indiana, Illinois and Wisconsin. Besides half a dozen members of the House of Representatives who were either directly or indirectly its beneficiaries, the Ring commanded the active support of at least two United States Senators. The Binghams of Evansville, Ind., are active and influential Republican politicians, and have always been the friends and advocates of Senator Morton. It is an indisputable fact that in 1872 Senator Morton telegraphed to the Chairman of the Republican State Committee of St. Louis, saying that to insure the success of the party in his State he should have $50,000, and the whisky men should raise that amount immediately. The original of this dispatch was seen by several persons, and among others by Mr. Praetorious, editor of the St. Louis *Westliche Post*.

But there was, at the outset at least, a still more direct connection betwen the White House and the Chicago Whisky Ring than that supplied by Babcock. In May, 1869, Col. Edmund Jussen, the brother-in-law of Carl Schurz, was appointed Collector of Internal Revenue for this district. Col. Jussen is not only a gentleman, a scholar, and an able lawyer, but he is an honest man. That he was a most zealous and capable officer every one connected with the revenue service at Washington has been forced to admit. The old ring was quickly broken up after

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Col. Jussen assumed charge of the Collector's office, for he gave his whole time and attention to the service, and looked close after the details. After serving nearly two years Col. Jussen was, without any complaint having been made by the department, unceremoniously removed in the Spring of 1871. No cause whatever was assigned at the time, but nearly a year afterward, when Carl Schurz had become a very uncomfortable thorn in the Administration's side, a thick-and-thin organ declared that Schurz's hostility to Grant was caused "by the dismissal of his brother-in-law Jussen from the revenue service." Col. Jussen was at that time in Europe for his health, and was sojourniug at Bonn on the Rhine. By a mere accident he saw a copy of the paper in which this charge had been made, and he at once wrote a letter to the Chicago *Tribune*, which was published on the 9th March, 1872, with his signature. In this letter, after stating that Senator Schurz had opposed his appointment, he avers that he owed the office solely to the unsolicited exertions of a few gentlemen in Chicago, and then proceeds as follows:

WHY HE WAS REMOVED.

'These identical Chicago friends, relying upon the fact that they alone procured my appointment, sought to convince me, very soon after I assumed the duties of my office, that, though I was collector, and had the honor and responsibility of the office, they must insist upon a division of the profits. To what extent I yielded to their imperative request, and how subsequently they worked as sedulously to remove me as they had labored to have me appointed, simply because I declined to be "bled to death," is a point which I prefer to discuss at some other time and place.

Having said this much, it may not be amiss to disclose the additional reasons for my removal from office—not that I think that my personal fortunes can be of any interest to the public; but merely because I believe the recital will form a valuable addition to the many illustrations of the rottenness of our civil service. The first mistake which I made—as the world goes in our fair Republic—was that I caused the removal of a certain Dr. Lamper, who was United States Guager in my district. I had detected him in fraudulently appropriating high wines. He boasted that I would not dare to touch him, as he was a cousin of President Grant, and offered to bet $500 that he could not be touched. On the same day I reported him for removal, and revoked his assignation to duty. He resigned immediately, to escape a disgraceful dismissal. All these facts I reported to the Hon. C. Delano, then Commissioner of Internal Revenue. He approved of my course, and added that my action in the premises was entirely satisfactory to the President. A few months later this same Dr. Lamper, cousin of the President, was appointed Receiver of Public Moneys in the United States Land Office in Washington Territory. It is but fair to presume that the President, in the hurry and press of business, had forgotten the official record of his cousin. However, he was reminded of it when, subsequently, Dr. Lamper loaned the moneys of the Government to his personal friends for private speculation. Where Lamper may be employed now I am unable to tell. It is to be hoped, however, that his eminent talents will not be lost to the country.

THE PRESIDENT'S BROTHER.

But this Lamper affair was not my only mistake. I committed several others much more damaging in their consequences. A few months after taking charge of the duties of my office, the brother of the President, Orville Grant, Esq., honored me with a call, talked revenue business generally and quite fluently, and finally invited me to his store. He repeated this invitation three or four times, once by letter, before I complied with his request. When I visited his store Mr. Grant, though somewhat embarrassed, but on the whole with the graceful air of an accomplished business man, proposed to me to join him in defrauding the Government by permitting a certain distillery to run double its registered capacity, or in other words, to collect the tax for only one-half its actual product. "If you decline," said the acute gentleman, "the Government will gain nothing, for in that event the distillery will not increase its product. If you consent, the same tax which you now collect will still be paid, and the receipts of the Government will therefore not be diminished. A few barrels more or less on the market cannot depress quotations, and the competitors who do not enjoy the privileges I ask for my friends cannot suffer. *There can, therefore, really be no fraud in the transaction proposed. Moreover, I*

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shall see to it that all is safe at Washington." I humbly informed the talented moralist that I begged to differ with him as to the ingenious definition of fraud, and peremptorily and positively refused his tempting offer. Mr. Grant's embarrassment had somewhat increased when I took my leave. I deemed it advisable to inform the Commissioner of Internal Revenue, United States Assessor, General Webster, Supervisor Bloomfield, and my friend Senator Schurz, immediately of the offer and its result. And here I must do Mr. Orville Grant the justice to say that after he had ascertained that I had reported his proposition at headquarters and to my brother officers, he called upon me and volunteered the explanation that he had made the said proposition to me solely for the purpose of "*testing my integrity.*" This apology took place about six months after the *testing process.* It is but fair to presume that the brother of the President, by his happy method of testing the honesty of revenue officers, has rendered valuable services to the Government. That he undertakes this labor in his capacity as a private citizen, without hope of reward, and simply for the pure purpose of improving the civil service under the administration of a beloved brother, is a truly noble example of fraternal love and devotion.

FARWELL INDIGNANT.

The third and last great mistake which I committed—not mentioning such minor offences as preventing all revenue frauds in my district to the best of my ability, and dismissing incompetent officials—consisted in my refusal to obey the commands of Mr. Farwell, member of Congress, for the Chicago district. Very soon after his election, Mr. Farwell undertook to dictate to me through a friend of his (a successful, silent politician of Chicago), whom I should appoint as storekeeper of distillery warehouses. I positively refused to be thus controlled. Being personally responsible for the proper collection of the tax in my district, I insisted that the warm politicians recommended by Farwell's man Friday were not exactly the sort of men to whose keeping I could safely confide either my reputation or the interest of the Government. From that moment all the forces heretofore secretly intriguing against me joined hands. Mr. Farwell was the proper instrument to carry out the purpose, and he had hardly taken his seat in the House when the news of my removal reached me.

These statements by Col. Jussen afford a key to the Ring mysteries at Chicago. By his active vigilance he had broken up the old Ring's connections, and hence the distillers employed Orville Grant, whose influence at Washington was very great, to break the ice with Jussen and drive a bargain with him. This failing, Charlie Farwell, having been elected to Congress by the assistance of the whisky men's money, sent Jake Riehm, the silent, successful politician, and his right hand man, to Jussen to get storekeepers appointed who would, in spite of the Collector's vigilance, allow a little crooked business to be done. But here again they failed, and their patience being exhausted, they determined to have the unaccommodating Collector's official head. It was not a very hard task to secure it. The man who had not only refused to allow the President's brother to toll the revenues, but was mean enough to tell on him, was of course not very popular at the White House. It was the second time he had trod on the royal toes. He had kicked the President's cousin out because he had appropriated a few gallons of high wines by way of sampling the barrels he gauged, and while it would not be politic to remove a Collector for this sort of conduct, nevertheless the President was not disposed to turn a man out of doors who would furnish a decent pretext for getting rid of a revenue officer like Col. Jussen. Farwell doubtless found little difficulty in securing assistance at Washington from a number of politicians even outside of Illinois, because a general election was approaching and campaign funds would be needed, and by long experience these men knew that when distillers were making lots of "crooked whisky" they were very liberal givers.

SENATOR LOGAN ONE OF THEM.

The proof of Senator Logan's connection with the Illinois Whisky Ring is very circumstantial. He has always been the backer of Supervisor Munn, and when Bristow issued his order last February directing a transfer of all revenue officials, Logan was almost the first man to put in an appearance at the White House to insist upon its revocation.

The history of the Whisky Ring of Milwaukee is likewise interesting. In June,

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1874, the distillery of Bunker & Rodgers of Madison, Wis., was seized for shipping high wines without compliance with the revenue laws to Rindskopf of Milwaukee, and to Killian Bros., of Chicago. As soon as the seizure was made, Supervisor Munn came to Madison, and took possession of all the books and papers found on the premises. The correspondence he thus obtained possession of would have convicted the Killian Bros., and one or two other rectifiers in Chicago. The only arrest, however, was that of Sam Rindskopf of Milwaukee, whose guilty participation in the fraud was so apparent that he could not be shielded save by the manipulation of the judicial machinery. Rindskopf was nominally a Democrat, but he was always a friend of Senator Carpenter, and as the Senatorial contest was to be decided by the Legislature elected in the fall of 1874, the Senator who expected to be triumphantly vindicated could not afford to have an active and liberal supporter like Sam Rindskopf in the penitentiary. An indictment was found against Rindskopf at the summer term of the United States Court, but a postponement of the case was secured without any difficulty.

A JAIL BIRD'S BANQUET.

The next term of the Court was held in September at La Crosse; but despite all the efforts of the District Attorney another postponement was obtained. Supervisor Munn wrote to Commissioner Douglass favoring this continuance, and said in his letter, under date of Sept. 7, 1874, that he had conferred with Senator Carpenter, who had applied for a postponement of the trial. When the November term came round there was a vigorous effort made by Munn and Carpenter to obtain still another continuance, and Douglass, at the request of the Senator, directed the District Attorney to continue the case till the June term, 1875; but that officer would not obey orders, and pressed the case to trial and convicted Rindskopf. He was, however, very leniently dealt with by the Court, being sentenced to pay a fine of $5,000 and be imprisoned in the county jail for one day only. "Prince Sam," as he is called, paid the fine and passed one day in jail, and amused himself during the period of his incarceration by giving one of the most *recherche* entertainments to the United States officials that was ever heard of in Madison.

In the meantime, the whisky men in Milwaukee and the revenue officers for that district had purchased the *Sentinel* newspaper and were running it as a Carpenter organ. A. E. Burpee, who had been the special revenue agent for that district for several years, was removed at the demand of Keyes, the Chairman of the Republican State Central Committee, and S. J. Conklin, who had formerly been in the revenue service at New Orleans, was appointed his successor. The developments made during the trial of Rindskopf were such that Deputy Collector Weissert and a gauger named Mueller, had to be removed. The testimony was explicit as to both being in the pay of the Whisky Ring, but notwithstanding this they were reinstated on the 9th of January, 1874. Sam Rindskopf was nominated as a Democratic candidate for Congress, but the Democratic newspapers in the district would not support him, and began a vigorous onslaught on the Whiskey Ring, which forced Sam to withdraw. However, the Carpenter candidates for the Legislature were elected by a large majority, and every Democratic district in Milwaukee was carried by the Republicans by the liberal use of the Whisky Ring's money. When the books of Rindskopf were seized, in Nov., 1875, a number of check-book stubbs wers found, which showed that each distiller and rectifier in Milwaukee was assessed for $200 per month for the "Boss," or "Macher," as it is expressed in German text on the check stubbs, and is supposed to be Conklin. In addition to this, there was another levy of $500 on each establishment for another person, who is not specified any more definitely than as a "friend." These assessments, it is understood, were in excess of the regular thirty-five cents per gallon which went to the "campaign fund."

PUSHING THINGS.

Within a day or two after the Rindskopf case was determined at Madison, a telegram was sent to "Prince Sam" at Milwaukee, which read as follows: "Send 5,000 bushels wheat at once. We can't remain here longer than Saturday, and are prepared to push things." This was signed "A. & B.," and the original is in the handwriting of Bridges, Special Revenue Agent for the district of Illinois, and "A," it is believed, stood for Ammon, who was Munn's confidential clerk.

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On the receipt of this dispatch, Rindskopf levied $5,000 on the Milwaukee distillers and sent it to Chicago, as he said, to pay for the suppression of the correspondence that was found when the distillery of Bunker & Rodgers, of Madison, was seized.

The following testimony of Hon. Bluford Wilson, late Solicitor of the Treasury, given before the Select Committee of the House of Representatives on whisky frauds, furnishes in detail all of the prominent facts connected with the discovery of the Whisky Ring conspiracy and the efforts which were made by himself and Secretary Bristow to bring the great rogues to justice, and how they were finally forced to retire to private life in consequence of the influence of the machine politicians.

TESTIMONY OF BLUFORD WILSON.

SELECT COMMITTEE ON WHISKY FRAUDS.
Washington, D. C., July 27, 1876.

BLUFORD WILSON sworn and examined.

Question. What is your age, and where do you reside? Answer. My age is thirty-four years, and I reside in Springfield, Ill.

Q. You were Solicitor of the Treasury, I believe, until recently. A. I was.

Q. When were you appointed to that position, and how long have you held it? A. I was appointed to the position in June, 1874; was sworn into office on the 29th day of June, 1874, and entered upon the discharge of the duties, and vacated the office on the 30th day of June, 1876; having held the position, therefore, two years and a day.

Q. Who was Secretary of the Treasury when you took the position? A. Benjamin H. Bristow, of Kentucky.

Q. Had you known Mr. Bristow prior to your appointment? A. Only very slightly, indeed. I had no intimate friendly relations or acquaintance with him.

Q. Do you know of his having used any influence to have you appointed to the position, or of his desiring to have your aid there in public matters? A. Of my knowledge, I do not.

Q. Or from anything that he ever told you? A. I presume that Mr. Bristow favored my appointment as Solicitor of the Treasury; I have always considered that my appointment was due more largely to the influence of my brother, General James H. Wilson, with the President of the United States, and also to the knowledge and acquaintance which the President of the United States himself had of me and with me. I soldiered under him at Vicksburg, and was appointed by him District Attorney of the southern district of Illinois, in the spring of 1869, on the recommendation of my brother, General Wilson.

Q. When you first went into the employ of the Government as Solicitor of the Treasury, had any investigations taken place to determine whether or not there were whisky frauds in existence at St. Louis? A. Not to my knowledge; and, if so, they had not resulted in establishing the existence or presence of frauds.

Q. Do you recollect about the time when active measures were first taken to discover whether such frauds existed in St. Louis, and, if they did so exist, to punish the offenders? A. Quite well, indeed.

AN INTERESTING NARRATIVE.

Q. Be kind enough to state the time and the circumstances, and whatever knowledge you have of the inception of the matter. A. Some time about the middle of February, 1875—shortly after the revocation of the order changing the supervisors of internal revenue, the Secretary of the Treasury sent for me to meet him, in consultation, as I subsequently learned, with George W. Fishback, Esq., of St. Louis, Mo., in the private or confidential office of the Secretary. It appeared that Mr. Fishback had previously written to the Secretary advising him of the existence of an organized system of fraud upon the internal revenue in St. Louis; and the Secretary, in reply to his letter, had requested him to come on to Washington and give him the facts. Those facts, as they appeared from the statement then made by Mr. Fishback to the Secretary and myself, showed that the officers, from the supervisor of internal revenue, McDonald, down to and including nearly every gauger and storekeeper in the public service, and every distiller and rectifier in the city of St. Louis, were banded together in active and successful efforts to defraud the revenue. It appeared that previous

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efforts had been made to get in upon and expose these parties by the regular revenue agents, under the direction of the then Commissioner of Internal Revenue, but that those efforts, from one cause or another, chiefly, however, from the facility with which the revenue agents themselves yielded to the bribes of the unlawful combination at St. Louis had failed. The result of the conference, in a word, was that the Secretary advised Mr. Fishback that he would give me charge and direction of a new, and, if possible, more determined effort to break up the combination and bring the guilty parties to punishment; that my effort would be made under his immediate advice, and would be kept to ourselves with the greatest care and precaution. I was to use the agencies organized by me under the act of Congress appropriating $125,000 for "the detection and bringing to punishment persons engaged in counterfeiting *and other crimes against the United States*," adding to these agencies from time to time as I might, in my own judgment find necessary, such local agents as might be named to me by trustworthy and reliable citizens of public spirit in St. Louis, to whom I might be able to appeal for assistance. I believe I have stated that the investigation was to be kept secret. If I have not, I wish now to state that. As the hope of success seemed to turn wholly upon the secrecy and celerity of my movements, it was decided that I should exercise every precaution in my power to secure that result. On the 1st day of March, 1875, I inclosed to Mr. Fishback a letter addressed to Myron Colony, in which I said to him in substance that upon the recommendation of reliable and reputable citizens of St. Louis I had, with the approval of the Secretary of the Treasury, decided to appoint him as an agent of the secret service division of the Treasury Department, for the purpose of instituting in the city of St. Louis such investigation as might be necessary to ascertain and determine whether or not there did exist in that city an organized conspiracy to defraud the Government of its internal revenues. He was instructed by me to obtain and lay before me satisfactory proof of the existance of fraud, or to determine affirmatively and once for all that it did not exist. To that end he was authorized to employ such local assistance as in his judgment might be necessary, after consultation with my office. His pay was fixed at a rate not to exceed $8 a day, and that of his subordinates at a less sum, which I do not now recall. He was advised that he should have the assistance of James J. Brooks, Esq., assistant chief of the secret service, an officer of long and approved experience in the business of detecting frauds upon the internal revenue, who was then engaged in the city of New York, and who would aid him at that end of the line in such investigations as might be found necessary to be made there. I told him, in conclusion,

TO EXERCISE EVERY PRECAUTION,

To keep himself not only within the letter but the spirit of the law, to the end that no honest man should have just occasion of complaint; and further, that no unnecessary in convenience should be given to any party honestly and fairly engaged in the business of distillation. As to the others, those who were dishonest, my instructions to him were simply to catch them if he could. That letter is a part of the records of the Solicitor's Office, and also of the Internal Revenue Bureau, and tells its own story. I will make it an exhibit if I can obtain it before I close my testimony. It was the first active step in my movement against the ring. I received various encouraging reports from Mr. Colony, touching the organization which he had made and the steps which he had taken to accomplish the object in view. My correspondence with him was full and explicit: it is also upon the files of the Treasury Department. About the middle of March I had a consultation with Mr. Brooks with reference to investigations in the cities of Chicago and Milwaukee, and learned from him that he had no doubt of the existence of great frauds in both those cities. This confirmed information which I had obtained from other quarters, and I decided to send Mr. Brooks into those fields. About the 21st of March, I met James J. Brooks, Elmer Washburn, the chief of the secret service, and Homer T. Yaryan, then a Revenue Agent, in the Kemp Building in New York City. I told them, in strict confidence, what was being done in St. Louis and what my purpose was with reference to Chicago and Milwaukee. The understanding was that Brooks was to leave immediately for those cities and took with him one William H Herr, of Philadelphia, who had been often engaged with Brooks in investigations into revenue frauds while Brooks was a revenue agent; and that Yaryan should give me from time to

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time such information either as to the St. Louis field, or in relation to New York, or Chicago, as he might be able to obtain by reason of his connection with the Internal Revenue Bureau,

THE NETS THROWN OUT.

It was understood that he should go to Saint Louis under *bona-fide* orders to investigate certain questions of railroad taxes, and while there should co-operate with Mr. Colony if such co-operation should be desired by the latter. Brooks' methods of investigation at Chicago, the city that he first took in hand, while not so elaborate or so much in detail, were more practical in many respects than those which Colony adopted at Saint Louis; but the methods were substantially the same in both instances. Brooks and Herr took up the Chicago distillers consecutively and watched them, from points of advantage, secretly, day after day, counting out every barrel and every load of spirits and following it to the rectifying establishments. This was done as against each distiller for a period of from seven to ten consecutive days. Colony did the same thing, but the Saint Louis distillers, being more diligent, early detected Colony's agents and fell upon and beat some of them, and by violent means and threats rendered it unsafe for the others to carry out their instructions. To make a long story short, such efforts were put forth and such steps taken as that, on about the middle of April, I had in my hands absolute and conclusive evidence of fraud in all three cities. Mr. Yaryan, while in Saint Louis, discovered through Mr. Stagg, of that city, an honorable and honest wholesale dealer, a most conclusive case. That was about the 16th of April, and about the 12th of April, upon data furnished by Mr. Colony of shipments made by Bevis & Fraser, distillers, of St. Louis, to Charleston, Savannah, and Wilmington, and taken from the books of the wholesale dealers in those cities by my chief clerk, Mr. Webster Elmes, who was specially sent by me for that purpose, conclusive evidence was obtained of duplication and even triplication in the use of tax-paid-spirit stamps. Brooks from the first day furnished me such data from the outside as that, when I was able, later on, to lay it against the records from the inside of the Internal Revenue Bureau, it established the fact that the distillers in Chicago were stealing at least one-half of all the tax due from them to the Government.

MCDONALD BROKE DOWN IN THE CONFERENCE.

Q. Please state whether, upon the discovery of those frauds, the Government officers at Saint Louis had seizures made and took into custody parties charged with the violation of law? A. No, sir; they had not. When these evidences of fraud were placed in my hands, they were submitted by me to the Secretary of the Treasury, and, I believe, by him laid before the President of the United States. This was just prior to the President's departure to attend the Centennial anniversary ceremonies at Lexington, Massachusetts. During the President's absence, Supervisor John McDonald, of Saint Louis, turned up in this city. He had a conference with the Secretary of the Treasury, and subsequently with myself in my office. I understood from the Secretary that McDonald broke down in the conference with him when confronted by the evidence of fraud furnished the Secretary from my office, and admitted the substantial truth of the charge that they were swindling the Government in his district.

This, of course, is simply stated from what the Secretary said to me; also from what McDonald himself stated to me the same day. He came to my office, and said to me that if he was permitted to remain in office he would bring to bear such influence upon the distillers and others, and adopt such methods as would result in recovering to the Government substantially all the money that had been lost—at any rate, very much more, he said, than we could get by turning out himself and the others, undertaking to punish the officers, and seizing the distilleries. He said to me that the party interests in his State and his district would be greatly damaged by a seizure of the distilleries or by a resort to violent methods. He spoke of his own great and powerful influence in the West and throughout the States comprising his district, and claimed that he could do more for the party in the ensuing Presidential campaign than any other man or ten men that could be found. He said that arrangements had been made to consolidate the Globe and the Democrat, and to heal over the dissensions then existing in the Republican party in that State. I listened to McDonald with patience and with such courtesy as I tried to exercise toward all persons who came to me about official business. I said to him in reply that with reference to political considera-

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tions advanced by him, I could not for one moment consider them ; that if I were in a position to initiate or to give direction to public action, no consideration could be brought to bear upon me that would induce me for one moment to permit him to retain possession of that office, and that I would consider it, if I had it in my power, my highest and most imperative duty peremptorily to dismiss him from the public service ; that while I had no absolute evidence against him, nevertheless, the evidence of fraud was so complete and overwhelming that I was satisfied beyond doubt that he must have known of it, or else have been either a knave or a fool. That closed the interview.

Q. In this connection, state what position McDonald held. A. He was Supervisor of Internal Revenue for the States of Missouri, Kansas, Arkansas, Texas, Louisiana, New Mexico, and, I believe, Colorado, having his headquarters at St. Louis.

Q. Do you know whether, shortly after this interview that you had with McDonald, the Secretary of the Treasury or any one else made known to the President that McDonald had confessed his guilt ? A. On the 7th day of May, or about that time, shortly after the return of the President from Lexington, the Secretary of the Treasury sent for me and requested me to take with me, in as concise and convincing a shape as possible, the evidences of fraud as against St. Louis, Chicago and Milwaukee, which I had accumulated, and go with him to the President, at the Executive Mansion. I complied with the Secretary's instructions, and together we called upon the President. I wish now to say to the Committee that I have taken the best advice within my reach upon the question as to what would be my course in answering interrogatories calling for what took place between the Secretary of the Treasury and the President ; and while the advice I have received has been various and conflicting, my own judgment and preference is that so long as the President of the United States and the Secretary of the Treasury do not themselves choose to go into questions touching the subject of this inquiry, I ought not to be expected to do so ; and if there was anything in what took place at this interview which in my judgment was in the slightest degree to the prejudice of the President or of the Secretary, or which could be made the subject of misunderstanding or difference, I would not go into it. Such, however, is not the fact. What the President said and did, what the Secretary of the Treasury said and did, at that interview, was, in my judgment, in the highest degree creditable to them both.

Q. Did the Secretary of the Treasury, at that interview, state to the President what McDonald had confessed to him ? A. He did not, for the reason that it appeared at that interview that the President and the Secretary had previously been in conference touching that subject, and that the President understood that branch of the case quite as well as General Bristow did.

Q. This was on the 7th of May, that this interview took place ? A. Yes, sir.

Q. How long after the conversation between yourself and McDonald ? A. About two weeks.

Q. Was McDonald ever dismissed by the President ? A. He never was dismissed from the place.

Q. How long after the date of this interview was it that the President accepted the resignation of McDonald ? A. I cannot, in the absence of my record, answer that question specifically.

Q. Could you give us a general idea of about how long ? A. My impression is that it was not until after the seizures had been made at St. Louis and elsewhere, which was on the 10th of May, 1875.

Q. In this connection I will ask you whether the President made the appointment of either of those gentlemen whom you have named for the positions suggested ? A. When General Webster declined the office of supervisor of internal revenue, the Secretary of the Treasury, as I understand and believe, with the approval of the President, directed me to tender the appointment to Colonel Matthews. I wrote Colonel Matthews an official communication introducing it, as I now recollect, with these words : "Under the direction of the Secretary of the Treasury, and with the approval of the President of the United States, I write to tender you the position of Supervisor of Internal Revenue." He accepted the position and entered upon the duties.

"MCDONALD, JOYCE, MCKEE, AVERY, AND OTHERS WERE ARRESTED."

Q. Without going into particulars. I wish you would state whether after this time McDonald, Joyce, McKee, Avery and other parties were arrested, bills of

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indictment found against them, and convictions had for complicity in the whisky frauds at Saint Louis? A. They were arrested under indictment, tried, and convicted.

Q. Who were your prosecuting officers at St. Louis? A. David P. Dyer was the United States District-Attorney, John B. Henderson and Lucien B. Eaton, of St. Louis, were special assistant United States attorney with reference to the whisky prosecutions, and his regular assistants were William H. Bliss and, I believe, Mr. Peddrick.

Q. State whether during this whole time, and while these several prosecutions were pending, the Secretary of the Treasury and yourself were kept informed, by the District-Attorney at St. Louis, of all facts and matter that transpired there; the manner in which they were conducting the public business; whether your relations with them were close and intimate. A. We were kept promptly and thoroughly advised touching all the facts from time to time developed; and throughout our official relations were close and intimate.

Q. At and after the date of the trial and conviction of William O. Avery, did you notice any change in the demeanor of the President of the United States in reference to these prosecutions? If so, state the same fully. A. Earlier than that, it was a matter of great regret to me to find that the relations of the President to the Secretary of the Treasury and myself were not as they had been at the time of the interview I have related.

Q. About what time did you observe this change? A. It began in August, 1875, and was, more marked in September, after the President returned from his visit to St. Louis, and his trip West.

THE CELEBRATED "SYLPH TELEGRAM."

Q. Will you please give us any acts or statements of the President which indicated to you that he was not in sympathy with you in the earnest efforts which you were making to punish all parties guilty of these frauds? A. In August, we discovered at the Treasury Department the celebrated "Sylph" telegram to be in the handwriting of the President's private secretary, Orville E. Babcock. There had been talk or rumor before that General Babcock's relations to the parties composing the whisky ring in St. Louis were not what they ought to be. Mr. Yaryan in January, 1875, told myself and the Secretary that he had seen letters which he believed to be, and was told by Joyce were, in the handwriting of Babcock, treating of Joyce's connection with the Internal Revenue Bureau; and one W. D. W. Barnard, a distant relative, I believe, of the President, holding the position of bank examiner at St. Louis, on the 19th of July, I think, wrote the President a letter, in which, among a great many other things, he said that he had just seen on the streets of St. Louis, Normile, the prosecuting attorny for that county, and who was the attorney of Joyce and McDonald, seeking bail for them; that Normile asked him, "How far is this thing going to be carried?" and upon Barnard's answering, "Until the thieves are all punished, and the dishonest officers are in jail" he said, "The President dare not let it go too far against McDonald and Joyce, or Babcock is lost." At another point in his letter he said that "Jim Casey was in St. Louis, and had said that the President did not approve, the Secretary's course, and that he would not retain the Treasury portfolio thirty days." Casey was related by marriage to Jewett, one of the thieving distillers. This was, I believe, also repeated in the papers of St. Louis as from Casey. Both the Secretary of the Treasury and myself where highly gratified on about the 1st of August to receive from the President, from Long Branch, the Barnard letter with the celebrated indorsement thereon, "Let no guilty man escape if it can be avoided," under date July 27 or 29, 1875.

"THE PRESIDENT WOULD NOT ALLOW THEM TO SUFFER."

Q. Do you know, or did you hear, the reports which were being circulated in St. Louis, to the effect that the President of the United States and McDonald, Joyce and others, were friends, and that the President would not allow them to suffer, prior to the receipt of this Barnard letter? A. Such reports were very many and frequent.

Q. Was this indorsement, of which you have spoken, voluntarily given by the President of the United States; or was it the result of any advice or urgency upon the part of the Secretary of the Treasury or yourself? A. We had long sought for a sign from the President, which in some emphatic way would be a warrant

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to us and a guarantee of his sympathy and support in our efforts to bring to punishment the guilty parties, whoever they might be.

Q. Did the Secretary of the Treasury or yourself, prior to the receipt of this indorsed letter, call the attention of the President of the United States to the fact that these reports were rife, and that in justice to himself and in justice to you he ought to make some positive and decided declaration on the subject? A. Of my own personal knowledge, I cannot so state; but I have reason to believe, and do believe, that the Secretary did.

Q. Did not the Secretary of the Treasury go down to Long Branch, where the President was summering, for the purpose of obtaining from the President some such declaration as that which was indorsed upon that letter, or did he not go for that and other purposes? A. I cannot state positively that the Secretary visited the President at Long Branch for the specific purpose referred to in your inquiry, until after the receipt of the indorsement from the President. He then did visit the President upon an understanding between the Secretary and myself that the publication of that indorsement was due alike to him and to myself, and was the best answer which it was in our power to give to the enemies of General Bristow, the members of the Whisky Ring, notably McDonald and others, who were then already busy in St. Louis in their efforts to break down his character and sully his fair fame.

Q. Was that Barnard letter with its indorsement sent by mail to Washington? A. It was; marked certainly "Confidential," and, to my best recollection, "Private and Confidential," so that neither the Secretary of the Treasury nor myself felt at liberty to make any use whatever of it in the shape in which it reached us.

Q. You and the Secretary, at the time it was received, were in Washington City? A. We were.

"ORVILLE E. BABCOCK WROTE THE 'SYLPH'' TELEGRAM.

Q. What was the result of the interview which the Secretary had with the President in reference to the publication of that indorsement? A. I was authorized by the Secretary of the Treasury to give it to the public press, and on the 16th day of August, or about that time, I knew that Orville E. Babcock wrote the "Sylph" telegram, and I gave that letter to the press and wrote a brief introduction, in which I was careful to state, as I now recollect, that the following was the best answer to the question as to whether the Secretary of the Treasury and the President were in accord.

Q. Do you know whether the President of the United States was willing that that letter should be published? A. As to that I cannot say; but I am bound to presume from the fact that General Bristow directed me to give it to the public, that he was willing.

Q. Do you know of your own knowledge, or from conversations with the Secretary of the Treasury upon his return from Long Branch, whether he met with any opposition from the President when he proposed to make the letter public? A. In response to that question it is evident that whatever I should have to say to this Committee would be hearsay, and in view of the important issue which from that time on arose between the Secretary of the Treasury and the President, I must decline to repeat what was said to me. General Bristow and the President of the United States are themselves the best witnesses on that point; and while they refuse to answer, I positively will not answer.

Q. Are you aware that the Secretary of Treasury, having been before this Committee, declined to answer any questions as to any communications between the President and himself? A. I am.

"THE PRESIDENT OF THE UNITED STATES PUBLISHED IN THE PUBLIC PRINT."

Q. Are you further aware that subsequent thereto the President of the United States published in the public prints a letter or note, in which he gave full authority to the Secretary of the Treasury, or anybody else, to freely state anything of which they might have knowledge in that connection? A. I am aware of the President's letter, but invite the attention of the chairman of the sub-committee to the fact that the President, in his letter, limited those to be called to cabinet and ex-cabinet officers.

Q. Then you do not consider yourself as included among the list of those who would be authorized to speak freely? A. Do not misunderstand me. Of course I am not an ex-member of the cabinet, and my own construction of the Presi-

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dent's letter is, that it was meant to be as broad as the chairman of the sub-committee has stated it, but I simply invite the attention of the chairman to the fact that it is not as broad as he has stated it in his interrogatory, and from henceforward I wish to confine myself to facts which are within my own personal knowledge, and not to state matters of hearsay.

[The chairman of the sub-committee, without waiving a full answer to the question as put, and reserving a right to submit it to the full committee, proceeds with the examination as follows] :

Q. You have already seen, I presume, the letter which Secretary Bristow wrote in reply to that written by the President?—A. I have.

Q. And have knowledge of its contents?

"I HAVE KNOWLEDGE OF ITS CONTENTS."

Q. Prior to the discovery of the "Sylph" telegram, do you know of any other fact or matter indicating that the President of the United States was not in sympathy with you and the Secretary of the Treasury in your prosecution of these distillers? A. In answer to that question I wish to state that, with reference to the whisky cases generally, there never was, to my knowledge, any lack of co-operation on the President's part. There were delays, it is true, during the Fall of 1875, in turning out some men who the Secretary and myself thought ought to have been removed sooner; but on the whole we got along very well. It was not until we struck Babcock in what seemed to be strong suspicious evidence of his complicity, that we began to grow apart. After the President's return from his trip to Des Moines, Colorado, and Saint Louis, I ascertained upon information both from the Secretary of the Treasury and the Attorney-General that I was in trouble; that I was charged with having put spies upon the President with a view to prove *his* complicity in the whisky frauds. This I learned on my return from the West, where I had been under the direction of the Attorney-General and the Secretary of the Treasury in consultation with the officers charged with the prosecution, which was late in October or early in November last. I will give the committee the precise date as soon as I can refer to my private letter-books. Relying upon the President's indorsement, and in view of the "Sylph" telegram, and the rumors which I have already referred to, I had, early in August, submitted the telegram to Mr. Henderson and Mr. Dyer in the presence of the Attorney-General, in this city, and it was understood there to be of so highly a suspicious character that General Babcock's case should be thoroughly but fairly investigated. To that end, on about the 8th or 9th of September, after Messrs. Henderson and Dyer had returned to Saint Louis, I wrote Mr. Henderson a letter, in which I said to him substantially, "This will be handed to you by William H. Herr, a reliable and trusted agent of the secret-service division. He will report to you for duty." I stated that during the hearing of motions to quash the indictments in McDonald's case then pending before Judge Miller, I thought it important that McDonald and Joyce should be put under the strictest surveillance, and that every proper precaution should be taken to prevent their escape; that it was highly important, also, that the associates and co-conspirators with McDonald and Joyce, if there were any, then unknown, should be discovered and brought to punishment, and I used the words that it was of the "utmost importance to the public interests that he should go to the very bottom or top of the combination," and underscored the words "*bottom or top.*" And knowing that General Babcock would be in Saint Louis with the President, and knowing his relations with McDonald and Joyce, I intended to use, and did use, such terms as that General Henderson might clearly see that his relations with McDonald and Joyce, while in the city, should be carefully looked after and inquired into. This I believed I was fully authorized and warranted to do by the terms of the President's indorsement, and I supposed that in so doing I would receive his support and approval. It turned out that this letter

"THE FORGERY WAS APPARENT ON COMPARISON."

of mine was taken from among the papers of General Henderson while he was engaged in a law argument in the courts at St. Louis; that McDonald or Joyce got possession of it, and, to support the charge that I was putting spies on the President, after the word "top," in my letter, the capital letters "W. H." were forged therein. The forgery was apparent on comparison with the letter-press copy, which I was lucky enough, under the circumstances, to have re-

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tained in my letter-book, and that fact doubtless saved me from instant removal. The forged letter, or copies containing the forgeries, were brought back by General Babcock from the West, and after the first Cabinet meeting which was held on the President's return, he (Babcock) called Attorney-General Pierrepont and Secretary Bristow into the private secretary's office and showed them that letter of mine with the forged letters "W. H." in it. The Secretary of the Treasury and the Attorney-General were both greatly disturbed, and manifested that disturbance in interviews with me on the Sunday morning of my return from the West, and for the reason, as they said, that they saw no justification and no explanation of the letter. I laughed, and said to them that it gave me not the least concern; denounced the forgery at once, got my letter-book and proved it, and that was the end of the matter with them. General Horace Porter, a warm friend of General Babcock's, and at that time of my own, was that Sunday in the city. In going down for my letter-book I met him, somewhat disturbed about the matter. We touched upon the subject, and the General expressed his regret that I had got myself into such a position, and without telling him anything more I said to him, "Just wait, General, until I see the Secretary and the Attorney-General, and then go with me to my office in the Treasury building." He said he would. We went together after I was through, with the Secretary and the Attorney-General, and General Porter had with him a copy of the letter. I said to him to hold his copy and I would read the original from the book. I read the original, which was word for word as it was in the copy General Porter had, with the exception of the forged interpolation, "W. H." I then said to General Porter to take the letter-book and satisfy

"WILSON, I DON'T WANT TO HEAR ANYTHING MORE."

himself that the letter-press did not contain the letters "W. H.," which he did, and I furthermore asked him to note the position of the letters, the word "top" being the last on the line. I asked him if he had seen the handwriting of the original "W. H.," and he said he had, and he said at once, "Wilson, I don't want to hear anything more; that is the end of that matter. The letter is a forgery, beyond question, and that lets you out." "Now," I said, "a word with you, General, about that letter. I wrote that letter intending that General Babcock should be looked after. If he was in the ring I intended to catch him if it was in my power. If he was not, I intended to demonstrate his innocence beyond the shadow of a doubt, if it were possible to do so." I asked General Porter what explanation he had of the "Sylph" telegram, and he gave me an explanation to the effect that "Sylph" was a lewd woman with whom the President of the United States had been in intimate association, and that she had bothered and annoyed the Presi-

"DO YOU KNOW THAT WOMAN, MCDONALD?"

dent until at one time it chanced that McDonald's attention was called to her at some place where she was, either in search of or in the vicinage of the President, and he said, "Why, that is Sylph." General Babcock said, "Do you know that woman, McDonald?" And Mac. said, "Yes, I know her well." Gen. Babcock said (to use General Porter's own words,) "She has been giving the President a great deal of trouble; I wish you would relieve him of her in some way." And McDonald said, "Certainly; that is easy. I can manage her." And he did manage her, and so important was the service which McDonald thus rendered the President that the term "Sylph" became a common matter of joke between General Babcock and McDonald, so that they were in the habit, as occasion might require, of addressing one another under that name. He also said to me, without endeavoring to explain definitely, that he, Babcock, Joyce, and McDonald frequently had occasion to correspond with each other with reference to the movements of mutual friends, and that the "Sylph" telegram referred to the movements of some

"TO SHIELD AND SAVE GENERAL BABCOCK FROM EXPOSURE."

parties who were going out to Saint Louis on bridge business. He said to me, without going any furtherinto explanation, that the most inestimable service in my power to render to the President of the United States would be to shield and save General Babcock from exposure; that these matters were of a character that could not be gone into without giving all parties the very greatest trouble and concern. I told the general that I would do what I could fairly to see that General Babcock

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was honestly and squarely dealt with, and that no injustice was done him, but that further than that I could not and would not go; that the matter was in the hands of the local officers at St. Louis, and I would urge upon them the grave importance to all parties that no mistake should be made in reference to General Babcock's connection with the ring. General Porter expressed himself as wholly and entirely satisfied with my explanation of my letter and with the position which I assumed, and assured me that the attention of the President had not been called to the forged letter, and would not be. I said to him, "General, I want you to tell the President of the United States about that letter; I have no concealments about it, none whatever; I stand upon it; I am willing that the whole world should see and read and know of it, and I have no apologies to make for it. I want that clearly and fully understood. I hope you will tell the President of the matter, and that he will give me an opportunity to say to him what I have said to you, and to the Attorney-General and the Secretary." I heard nothing more about this. Late in August or early in September, before the President went West, I urged upon Secretary Bristow that he call upon the President and tell him of the "Sylph" telegram, and that the investigations were likely to involve General Babcock. He told me that he would, and early in September, I believe about the 8th, I met General Babcock at Philadelphia, he coming from Long Branch, and I from Cape May, and I made up my mind going down with him that I would urge Secretary Bristow to tell General Babcock about the "Sylph" telegram, and give him an opportunity to explain it frankly and fairly, feeling that his position was such as entitled him to know the situation in which the telegram placed him, and also to have an opportunity of making any

"THE PRESIDENT SAID TO ME, IN SUBSTANCE, THAT IT SEEMED TO HIM THAT I WAS ENDEAVORING TO INVOLVE HIM IN FRAUDS."

explanation which he might be able to make. On arriving in this city I saw General Bristow and told him what I thought ought to be done. He assented promptly, and notified General Babcock on that day touching the telegram. He asked General Babcock to tell the President. Later on, but just before the President went West, Secretary Bristow went to Long Branch himself, and I understand that the "Sylph" telegram was the subject of an interview between the President and himself. After my interview with General Porter I supposed that the matter of the forged letter was settled, and gave no more attention to it until I was sent for by the President. The President said to me, in substance, that it seemed to him that I was endeavoring to involve him in frauds. I expressed my surprise, and asked him upon what ground. He said, "You wrote a letter to Saint Louis to General John B. Henderson, a copy of which I have seen, in which you tell General Henderson that he must go to the very bottom and top of the W. H. It was written to General Henderson during my visit to St. Louis, about the time I left Long Branch, and the time which you therein seemed to indicate as necessary for extra vigilance was the ten days, or about the time that it was understood I was to remain there." He asked me what explanation I had to make of it, stating that Mr. Dyer and Mr. Henderson were personal enemies of his, and that it was important to him to know just what attitude the prosecution meant to assume with refer-

"HE IS THE MOST GUILTY WRETCH IN THE WORLD."

ence to those trials. He expressed to me his confident belief in Gen. Babcock's innocence. He said that the telegram had been satisfactorily explained to him, and he thought that that ought to stop the matter; that it ought to rest there. He added, however, "If General Babcock is guilty, which I don't believe, he is the most guilty wretch in the world. He has betrayed my confidence in the most infamous way, and besides has betrayed his official trust, and no punishment would be too severe for him. My relations with General Babcock," he said, "have been of long standing;" and he referred to their Army associations and to the General's subsequent positions in connection with public works, in which, as an engineer of the army he had expended large sums of money, and, as the President believed, with entire fidelity; and he said that as his private secretary he had every opportunity to know and judge the man, and he could not believe that he was involved in the ring. When the President finished I expressed my surprise and indignation at being confronted with the forged letter, and asked him who told him about it, and he said

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to me that he had not known of it until General Porter had explained the matter to him the Sunday before. I said to him, "Is it possible, Mr. President, that General Porter laid that letter before you and did not say to you that he and I had had an explanation touching it, that he had expressed himself as satisfied of the forgery, and as satisfied wholly with my conduct in the premises?" The President said in reply that General Porter had said to him that I claimed that the letter was a forgery and that it seemed to be, by reference to the letter-press copy. I told the President that we would let the matter rest there until I could go and get my letter-books, and my record as contained in my private memoranda in connection with the whole Babcock matter, and he consented to that. I got my letter-press book. I got his Barnard letter. I got all the other memoranda which I thought would throw any light upon my connection with General Babcock's case and went back. I showed the President in the first place the Barnard letter, and read to him that extract from it in which Mr. Normile was credited with having said,

"I HAD BABCOCK AND JIM CASEY IN MIND."

substantially "The President dare not go too far with McDonald and Joyce, or Babcock is lost." I read to him that part of his letter in which Jim Casey was referred to, and I turned over the letter and on the back of it read to him, with great deliberation, the indorsement in which he had said, "These newspaper clippings and this letter are sent to the Department to the end that if they throw any light upon new witnesses to be summoned, they may be brought out. Let no guilty man escape if it can be avoided." I read to the President of the United States the concluding sentences in his letter in which he said, "Be especially vigilant, or charge those in authority to be, against all those who claim to have high authority to protect or to protect them," meaning to protect others or to protect themselves, and in which he finally said that "personal considerations should not stand in the way of the performance of a public duty;" and I said to him, "Mr. President, what I have done in the premises touching General Babcock, I have done under the warrant and in full pursuance of your own instructions to the Secretary of the Treasury, and to myself." He said, "Certainly. I had Babcock and Jim Casey in mind when I made that indorsement, and I expected you to do your duty." I said to him, "Mr. President, that is precisely the reply which I expected you as President of the United States to make me." I showed him my letter-book containing the original, and showed him the forgery, and on that he expressed himself as entirely and wholly satisfied. I explained to him that it was General Babcock that I meant in the letter, and not himself; that it never entered my mind for one moment that under any possible combination of circumstances was it possible for him to have had any improper relations with those parties, or with any other party engaged in the violation of the laws of the land; that when I fixed the period during which the investigation should be made in St. Louis, I had reference to the fact of Gen. Babcock's sojourn in that city and not his own, and that when I referred to the associations of McDonald I referred to the well-known

"NECESSITY FOR EXTRAORDINARY VIGILANCE."

and familiar associations of McDonald and Joyce with Gen. Babcock. I called the President's attention to the postscript in my letter in which I charged General Henderson that if Judge Miller should sustain a motion to quash the indictments against McDonald and Joyce he should immediately move for a detention of the parties pending indictment by the grand jury, as evidence of the fact that there was a crisis then pending in McDonald's and Joyce's cases, and that there was a necessity for extraordinary vigilance not only on my part but on the part of the local officers there. And I said to him with reference to his relations to the prosecuting officers, Messrs. Henderson and Dyer, and his apprehensions that they would do him an injustice, that I had met those gentlemen in frequent conferences; that I had lately been to the city of St. Louis and seen them there as well as in the city of Washington with reference to General Babcock's case, and that neither of them had ever expressed, either directly or indirectly, to me any sentiment touching the President of the United States but what was in every way and degree what it ought to be and respectful to him as the Chief Executive of the land; that with reference to General Henderson's appointment to aid in the prosecutions at St. Louis, I for the first time that day learned from him (the Presi-

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ident) that his relations to the President of the United States were not personally friendly; that I had, in the naming of General Henderson, the advice of the first citizens of St. Louis, first among whom was the President's own familiar friend and associate, Henry T. Blow; and that I had gone to Samuel T. Glover, the first lawyer of the city, and urged upon him, knowing that he was the preference

"THE TROROUGHLY DEBAUCHED AND ROTTEN ADMINISTRATION OF FEDERAL AFFAIRS IN ST. LOUIS.

of the President, by every argument it was possible for me to bring to bear upon him, the importance to the public interest of his identifying himself with the prosecution of the cases and accepting the tender which had been already made to him by the Attorney-General at the suggestion of the President; that Mr. Glover admitted to me the thoroughly debauched and rotten administration of Federal affairs in St. Louis, and said that the half had not been told, and that it was the highest and first duty of the President of the United States and the Secretary of the Treasury, by all the resources they could command, to break up the corrupt combinations and conspiracies and introduce a new era, if it was possible, in the administration of Federal affairs there; that his relations to others and his personal engagements were of a character that imperatively prevented and prohibited him from going into the cases. I asked his advice as to whom I should employ, and he said to me, "Go to John B. Henderson." "And thus," I said to the President, "backed by the recommendation of Mr. Blow and Mr. Glover, I went to Mr. Hawley (the then supervisor in charge), and, after consultation with Mr. Hawley, he agreed with me that General Henderson was the party, above all, to be put into the prosecution of these cases; and thereupon I sent the telegrams to the Secretary of the Treasury and the Attorney-General recommending the retention in behalf of the Government of General Henderson. And as Mr. Eaton had been recommended by the Chief-Justice of the Court of Claims of this city to me before I went West, and had rendered as United States Commissioner important services in the course of development of frauds at St. Louis, I had decided to put him into the cases. I said to the President that I did not believe that either General Henderson or Mr. Dyer would do anything but his duty in the premises; that as the President himself was concerned he should not permit personal considerations or his personal attitude toward those gentlemen to influence him.

GEN. BABCOCK'S INDICTMENT.

Q. Was that said with reference to the hostile relations between them and the President? A. Yes, sir; between the President and General Henderson. I also showed to the President that under the instructions of the Attorney-General, but without the approval of the Secretary of the Treasury, I had gone to St. Louis for the purpose of urging upon the local officers, Henderson and Dyer, the importance of making no mistake in reference to General Babcock's indictment, telling them that he should not be indicted, so far as their influence was concerned, except upon the fullest and clearest testimony, satisfying them of his guilt, and that every precaution should be taken on their part to do him no injustice; and if facts were developed to his credit, to give him the benefit of them throughout. I told the President that all the officers had assured me that such was their fixed, settled purpose, and that I came from Saint Louis feeling that no injustice would be done General Babcock; and I said to the President, "I do not believe, Mr. President, that any injustice will be done him." The President was not satisfied with Mr. Henderson nor with Mr. Dyer; he referred to Mr. Henderson's acts of hostility to him and also Mr. Dyer (he said he did not mind Dyer so much), and stated that when they were appointed he had acquiesced in it, but had not taken any active part. He said, however, that he was entirely satisfied with my explanation of my conduct in the premises, and gave me a hearty greeting when I went away.

"THE WORD 'SYLPH' REFERRED TO A LEWD WOMAN."

Q. You have stated in your examination that during an interview which you had with General Horace Porter the subject of the "Sylph" dispatch was discussed; that General Porter undertook to explain that dispatch by stating that the word "Sylph" referred to a lewd woman with whom the President of the United States had been in intimate relations; did you call the attention of the President

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of the United States to this statement as made by General Porter during that interview in regard to which you have just now been testifying; and, if so, what did the President say in relation thereto? A. I did, and in doing so said to the President that my justification for going on after my interview with General Porter was in the fact that the explanation he made to me was not satisfactory. I said to the President that he was put by General Porter in the attitude of having been the subject of McDonald's kind offices in connection with a lewd woman named Sylph.

Q. What did the President say? A. The President expressed his surprise that the General should have made such a statement, and said there was not one word of truth in it; brushed it out of his way in this way [illustrating by a contemptuous gesture] and went on.

Q. Was anything more said touching the "Sylph" dispatch as explained by General Porter? A. Nothing, except that I assured the President that I myself did not believe one word of the statement.

Q. At this time what public position, if any, did General Porter hold? A. None. He was the ex-private secretary of the President, and a warm, personal friend of General Babcock, and was taking a lively interest in Babcock's case.

Q. Were he and the President on good terms? A. They were, to my best knowledge, upon intimate terms.

Q. Did the President become angry when you told him of this explanation? A. He indignantly denied that there was any truth in the statement.

Q. Do you know whether General Porter's relations with the President subsequent to this time were as friendly as before, or have you seen him there? A. Down to the second day before the close of the Babcock trial, I believe that General Porter's relations with the President continued precisely the same.

Q. What reason have you to believe that friendly relations continued between the President and General Porter? A. I saw General Porter visiting Washington, and learned from him of his visits to the White House on Sundays when he came down.

THE PRESIDENT GROWS LUKEWARM.

WASHINGTON, D. C., *July* 28, 1876.

BLUFORD WILSON, Ex-Solicitor of the Treasury, again appeared before the committee.

Q. You said in your examination yesterday that from the time of the discovery of the "Sylph" dispatch, implicating General Babcock in those whisky frauds, or tending so to implicate him, the President of the United States did not show the same sympathy with the Secretary of the Treasury or yourself that he had previously shown. Please state any act or acts of the President from that time forward, indicating to you that he was not in sympathy with those whisky prosecutions? A. Before I proceed to answer that question I wish to make an addition to my testimony of yesterday in reference to the contents of the Barnard letter, on which the President made the well-known indorsement, "Let no guilty man escape if it can be avoided." Either in the body of that letter or in an accompanying document there was a statement from Emory S. Foster, of Saint Louis, to the effect that the President was himself charged with being a party to the unlawful combination in that city to defraud the Government of its revenues. I want that fact to be noted, because I have no doubt that the President made his indorsement as much with reference to that fact and that allegation as with reference to the allegations that Babcock was a party, and that "Jim" Casey, the President's brother-in-law, was openly asserting that the Secretary of the Treasury would not hold his office for thirty days: Another point; I was asked yesterday whether the President consented willingly to the publication of the indorsement on the Barnard letter, which has been so often referred to. By reference to a letter addressed to me by General Bristow under date of August 7, written in the Treasury Department, I find that the Secretary of the Treasury had addressed an official communication to the President asking him for permission to publish that indorsement, and that at that date (August 7) he had received no response.

LETTER OF GENERAL BRISTOW.

For the purpose of fixing the date when the "Sylph" telegram was discovered, I refer to a letter of General Bristow to me, written from New York August 9, 1875, and which I have no objection to make a part of the record. It is as follows:

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"MY DEAR WILSON: Your letter of yesterday, with inclosure, is received. The time is very near at hand when I must make a square issue with the thieves and scoundrels who have combined to destroy me. I *must* be supported cordially and earnestly, or I *must* and *will* break. I fear the complications are such that the former cannot be done; and the latter *must*. You can't be too careful about talking to *anybody*. I have heard here that the matter about the "Sylph" dispatch and our having seen it, in connection with Pierrepont, is fully known to P. and B. [meaning Porter and Babcock], and they are greatly disturbed. Don't suffer yourself to talk with *anybody* about it. Of course this is not meant for censure, but caution. I suppose I must make up my mind to bear the abuse of the 'Ring' papers, hard as it is to do. They are fighting to keep their friends out of prison, and to save themselves from exposure; and, of course, will seek to destroy anybody who stands in their way. Well, as for myself, I cannot turn back; nor will I stop to parley with thieves. I have no ambition to serve, and no purpose to accomplish, but enforcement of the law and an honest collection of the revenue. I will compromise on nothing short of this; but on this issue I am ready to be sacrificed any day.

* * *

B. H. B.

"P. S.—Ask Webster to write the President fully his views about the Chicago Custom House and the Whisky Ring. He has great confidence in Webster, and it is going to require the utmost watchfulness of his real friends to prevent his being misled by men who profess friendship for him, but who are acting treacherously. Tell Webster to write strongly and give him the plain truth, and to mark his letter 'confidential.'"

"NO GUILTY MAN SHOULD ESCAPE."

Now, in response to the question of the Chairman, I may say that the Secretary of the Treasury and myself, having been ordered by the President to see that no guilty man should escape if it could be avoided, on consultation, mutually concluded that the President could not go back on that injunction without stultifying himself and placing his officers in a false position, and we therefore resolved to leave the whole matter of General Babcock's alleged connection with the whisky ring at Saint Louis to be dealt with by local officers there. Until about the 1st of December, and indeed I may say until it was known absolutely that General Babcock had been indicted, the relations of General Bristow and myself with the President were passable; but so soon as it was seen that General Babcock was to be indicted, the idea of a military court of inquiry was brought to the front, to my knowledge, by General Babcock and his friends. The idea of a military court was broached before the indictment was found against Babcock; and the fact that the President of the United States took the ground that that military court should supersede the proceedings before the civil tribunals at Saint Louis was taken by myself and by the Secretary to be a marked indication of his purpose to defeat the prosecution in that city.

THE CONFERENCE BETWEEN THE PRESIDENT AND BLUFORD WILSON.

On the 2d or 4th of December I wrote a letter to General Henderson, advising him fully of my views, and indicating to him the settled purpose of the Secretary of the Treasury to see, by all honorable means, that proceedings before the civil tribunal should not be postponed, or delayed, or embarrassed, if he could prevent it, by any proceedings to be instituted or had before a military tribunal. Of that letter I have not a copy, but General Henderson, I believe, has the original. In the next place, it is a fact that I heard nothing from the President of the charge that I had put spies upon him, or of the forged letter which was adduced against me, as stated in my testimony yesterday, until it was seen and known that General Babcock was indicted. The conference between the President and myself, which I think I stated yesterday to have taken place late in November, took place, as I find by reference to contemporaneous documents, on the 8th of December, 1875. It will be remembered that in that conference the President expressed himself to me, with regard to General Henderson and Mr. Dyer, with great bitterness, and immediately thereafter General Henderson was dismissed from the prosecution. He was dismissed in opposition to my written protest, addressed to the Secretary of the Treasury, in which I called the attention of the Secretary to the fact that I was advised officially by Mr. Eaton, of counsel for the

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Government, that Judge Treat, the presiding Justice of the trial in which the alleged objectionable remarks of General Henderson were made, was said to have declared to Mr. Eaton and to have requested Mr. Eaton to notify the authorities here that, in his judgment, General Henderson's remarks contained no reflection whatever on the President. I also called attention to the fact that Mr. Eaton, Mr. Dyer and Mr. Henderson had all, in writing, informed me that no such purpose existed on Henderson's part, and that, on the contrary, it appeared from the official records (in my possession at that time, and now in the Treasury Department) that General Henderson went out of his way in an argument in that case to state that, in his judgment, the President of the United States was altogether above reproach so far as he knew, and to pay the President a compliment.

THE DISMISSAL OF GENERAL HENDERSON.

I said, therefore, to the Secretary of the Treasury, that I accepted the judgment of General Henderson's colleagues and of the Court as conclusive on that question, and that, in my judgment, the President of the United States ought to rise above personal considerations in view of the fact that the public interest imperatively required General Henderson's retention in the prosecution. The dismissal of General Henderson was, in my judgment, a fatal blow to the prospect of a successful prosecution in General Babcock's case. By reference to my private letter-book I find, under date of December 4, the following letter written by me :

"DEAR EATON : I wrote General Henderson a confidential letter last night, giving you the situation of affairs at this end in the 'Sylph' matter. We do not know here what you are doing, but presume, of course, you are doing your duty."

That is the letter in which I have made reference to the controversy in regard to the military and the civil tribunal. Another ground was the President's refusal to remove Jasper D. Ward, United States District Attorney at Chicago, until he was confronted by evidence, on the 3d of December, which showed that Mr. Ward was a partner in the Powell distillery, and had improper relations with Jacob Rehm, which statement was made to the President by Hon. Burton C. Cook. On that point I wrote to Secretary Bristow on December 3 :

"DEAR GENERAL : Mr. Cook was just in to see me, with some startling news. He saw President Grant after he met you, and was assured by the President that he would remove Ward promptly, and to that end he would ask Webster at once to name his successor ; but what was especially noteworthy was a letter to Cook, from a reliable friend in Chicago, attributing Logan's illness to sheer fright, and which charges that he is in it, and that the atmosphere is full of rumors about Ward's connection with the ring, his relations with Distiller Powell, &c. The inclosed, from Brooks, may interest you. The Lord give you wisdom.

"Faithfully,

"WILSON."

THE PROPOSAL TO HAVE A MILILARY COURT OF INQUIRY UNDER CONSIDERATION.

That note I sent to General Bristow, in Cabinet, and the ejaculation at the end of it was because I knew that the proposal to have a military court of inquiry was under consideration. Now, I want to read, as a part of my testimony, a letter to me from General Webster, under date of December 25, 1875.

"UNITED STATES INTERNAL REVENUE OFFICE,
"*District of Illinois, Chicago, December*, 25, 1875.

"MY DEAR SIR : Do you not begin to rub your eyes and inquire whether you are awake, whether we are any of us awake, not all involved in some bad dream? Was there ever such scandalous lying and plotting? Is it not the most remarkable fight of a century ? Is there any key to it all, except that the banded corruptionists of all classes and kinds are desperate, and are summoning all their forces, placing their reliance on unparalled audacity of vituperation and cunningly contrived accusation ? Is it possible that Babcock has lent any countenance to a proposition for an attack on Bristow ? Will he confess his own infamy and try to drag down the Secretary with himself? What other explanation is there for the

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Inter-Ocean's attack? I suspect that the ring have got entire control of the I. O.; they are desperate, and will furnish all the money necessary to get an English organ, as they have a German one in the *Staats-Zeitung*. What are we coming to, when such things can be even attempted in open day? But I took my pen to ask you a question. I have just been told that the man Russell, while in Washington, had the impudence to try and blackmail both the Secretaries of War and the Treasury. Is that so? I can hardly believe it, and yet I see that he has lived so long in the atmosphere, almost peculiar to the politico-whisky ring of Chicago, that perhaps he has no conception of honesty left, and no idea of decency or incorruptibility in any one. Yesterday I warned Dexter and Ayer to have no further conference with him—to have it only with Sweet and Smith. Please let me know whether R. is such a graceless scamp as to have really attempted blackmailing the Secretaries. I hope this outburst of malice in the *Inter-Ocean* will overshoot its mark, and, instead of making a breach between the President and Mr. Bristow, have the opposite effect—unite them more firmly in the fight against corruption. It looks as if the time is coming when all good men, of all parties, must band together against the rascals, as the only way in which the country can be saved; but we shall soon see. Write me a few words of truth and soberness.

"Yours, truly,

"J. D. WEBSTER.

"Hon. BLUFORD WILSON."

On the 15th of December, while in the city of Saint Louis, I wrote the President of the United States this letter:

"MY DEAR MR. PRESIDENT: Pardon me for troubling you to read the inclosed clipping from yesterday morning's Chicago *Tribune*. I might, under ordinary circumstances, be quite content to let the matter rest where Mr. Ward's explanation leaves it, and to permit that gentleman and the Hon. C. B. Farwell to settle their own differences in their own way. In view, however, of the many misstatements in relation to myself that have reached you, and of the fact that I did not care to go into the matter with the reporter, I wish to say to you that the whole story of Mr. Farwell, as it relates to me, is utterly and unqualifiedly false. Even as a joke, a poor one at best, it is wholly without foundation or warrant in any word or act of mine in reference to any case of any human being either inside or outside of the whisky-ring suits. If it comes in your way, I will be obliged if you will show this to Mr. Farwell. If he has been at you with his complaint against me, I will take it as a favor if you will call his attention to my answer. The situation here and at Chicago seems to be satisfactory. I return to Washington to-night.

"With great respect, your friend,

"BLUFORD WILSON."

"HE MUST INDICT FARWELL AND LOGAN."

I wrote that letter in reply to a charge which Farwell caused to be telegraphed to the *Chicago Tribune*, that I had, on the occasion of a certain visit to Chicago, said to J. D. Ward, while he was district-attorney, that he must indict Farwell and Logan, and when Mr. Ward asked me for evidence I said to him: "Damn the evidence; indict them first and find the evidence afterward." I will state that the *Chicago Tribune* article referred to stated that the telegram was submitted to Mr. Ward confirming and corroborating it, it should be published. Upon its being submitted to Mr. Ward, however, he repudiated it in toto, and denied ever having any conference or connection with me upon which any such interpretation could be placed. To the reporter of the *Tribune*, who came to me for a denial, I simply said, "I have none to make to so utterly absurd a charge."

I make this statement because I see that the reporter of the New York *Graphic*, and the correspondent of the Chicago *Inter-Ocean*, in this city, have, in substance, repeated this charge in a new shape yesterday, in the *Graphic*, and I presume also in the *Inter-Ocean*. This was my answer, then made, to the Chief Magistrate of the land, and it is my answer to the charge to-day.

In further response to the question of the committee, both the Secretary and myself were very early led to entertain grave apprehension as to what the issue would be in the Babcock matter, for the reason that I learned from the President and from C. S. Bell himself, that the President had recommended him to go to

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Saint Louis. I learned from the President, from C. S. Bell, and from the Attorney-General that it was in contemplation to employ Bell to go to Saint Louis and report not to Mr. Dyer, but directly to the Attorney-General, and that the reason for his retention was that the President understood that Dyer and Henderson intended to implicate him in the frauds if possible.

On December 18, 1875, I wrote to Mr. Dyer as follows:

"And now a word of caution. You have made a mistake in trusting C. S. Bell. He has been pretending to know that you have been endeavoring to implicate the President, and that it is possible that he may return to Saint Louis. If he does, put your best man on him at once, and you will soon see where he trains. If he calls upon you, don't let on that you suspect, but don't trust him, and have him watched. Mind what I say. I know what I am writing about, and you must burn this on your honor."

"WHEN I LEARNED THAT IT WAS IN CONTEMPLATION TO SEND THIS MAN BELL TO ST. LOUIS."

I will state further that I made such representations to the Attorney-General and to the President, when I learned that it was in contemplation to send this man Bell to Saint Louis, as induced them to reconsider their proposed action, and he was not employed.

It is a fact that the President was intensely earnest in the Babcock matter in opposition to the views of the Secretary and myself. On the 25th of December he sent for me and confronted me with the charge that it was reported to him that I was trying to have his brother, Orville Grant, and his son, Col. Fred. D. Grant, indicted for complicity in the frauds; and in the course of the conversation, he again asserted to me his earnest belief in Babcock's innocence and his sense of the great outrage that had been perpetrated on him by Henderson and Dyer in refusing to send to the military court at Chicago the original evidence contained in the records of the civil tribunal at Saint Louis. As illustrating the personal attitude of the President to myself, I may mention that Colonel Grant told the reporter of the New York *Herald*, in December, that Babcock's indictment was the result of a conspiracy between a prominent Treasury official, naming myself, and Carl Schurz. This I state because the reporter, Mr. Meeker, told me so the same evening, as did also Mr. Nordhoff, because I brought the attention of the President himself to it, and on the 2d day of January the attention of Colonel Fred. D. Grant.

THE CELEBRATED CIRCULAR-LETTER.

I now come to the celebrated circular-letter. On the 27th day of January, 1876, I received this note:

"EXECUTIVE MANSION,
"*Washington, January* 27, 1876—12:15 p. m.

"MY DEAR MR. SOLICITOR: The President says to drop you a note and ask you to come over and see him.

"Very truly, yours,

"LEVI P. LUCKEY.

"Hon. BLUFORD WILSON,
"*Solicitor of the Treasury.*"

Before going further I will state that I had twice called upon the President of the United States before I could get an interview with him on the question of the charge made against me by Colonel Fred. Grant, and for that reason, after that, I did not call at the White House except when I was sent for. I went over to see the President promptly, and learned that he was dissatisfied with the course of the Secretary and myself with reference to the conduct of the prosecutions at Milwaukee, Chicago and Saint Louis. He objected specifically and earnestly to our permitting persons who pleaded guilty to be used as witnesses to convict others; in other words, to using the testimony of accomplices. He called my attention to the case of the gauger Roddis, of Milwaukee, against whom a *nolle prosequi* had been entered, and he said to me that there was quite too much of that thing going on, and read from the report to show that the *nolle prosequi* had been entered for the purpose of using Roddis as State's evidence. He next said to me, "I understand that Everest has returned. I sup-

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"MAJOR, WHEN I SAID LET NO GUILTY MAN ESCAPE, I MEANT IT, AND NOT THAT NINE MEN SHOULD ESCAPE, AND ONE BE CONVICTED."

pose he has been promised immunity too." I said to him, "Mr. President, so far as I know, up to this date, Roddis is the only instance in which a *nolle prosequi* has been entered for the purpose of accepting the party as State's evidence. In answer to your question as to whether Everest is not to be prosecuted, I should say that I have specific information on that point from the district-attorney, and he tells me that no promise whatever has been made to him, and that none will be." He asked me what Everest would testify to. I told him that it was said that Everest would testify that he saw Joyce mail two letters containing $500 each, one addressed to Babcock. He asked me when Everest had returned. I told him that he had returned about the 12th of January, 1876; he asked if I knew where he was; I told him I believed that he was with his uncle, somewhere in Western Pennsylvania. He said to me, "Major, when I said let no guilty man escape, I meant it, and not that nine men should escape, and one be convicted." I said to him, "Pardon me, Mr. President, we are not in this battle counting heads, We are trying to break up the unlawful conspiracies and combinations which we all know exist, and, if possible, to reach those who have inspired and organized them, and I know of no other way of doing this and obtaining proof of the conspiracy than by going inside of the ranks of the conspirators; and I give it to you as my judgment that the policy which has been adopted by local counsel upon their independent judgment, and not under the instructions of either the Secretary or myself, will result in the accomplishing this purpose, and that none other will." Secretary Chandler sat just back at the farther end of the Cabinet room, and I said to the President, "Mr. President, I notice the presence of a member of the Cabinet. If you give me time to go into this matter, I think I could satisfy you that you are laboring under a misapprehension." "O," said he, "it is not worth while; it is not worth while. I simply wanted to call your attention to the fact that, in my judgment, there is too much of this going on." I said to him, "That being so, I have nothing to do, Mr. President, but to bid you good-morning," and I did so. I went out deeply impressed with what the President had said to me. I went to the Secretary of the Treasury and told what had taken place. I said to the Secretary that, in my opinion, it was of vital importance that he should see the President on that day; that I had reason to believe, and did believe, that A. P. Tutton, then lately returned from Chicago (on the 20th of January, I believe), had endeavored to create the impression in the mind of the President that we were giving away everything in the city of Chicago for the purpose of convicting Rehm and Hesing and Ward, and while the question as to the propriety of the policy was not important, it was important that he should see the President immediately, take with him his letters to Tutton, let me take my letters to Tutton and his telegrams to Mr. Webster, and explain to the President the whole case. He reluctantly consented. We went, and the Secretary, with great particularity, stated to the President fully and fairly, reading from the official documents, the situation of affairs at Chicago. The basis of what the Secretary had to say is covered by this telegram of mine to Mr. Webster, January 14, 1876:

"General J. D. WEBSTER, *Chicago, Ill.:*

"The following dispatch was sent by the Secretary to Tutton this morning. It ought to cover the ground. He (the Secretary) has implicit confidence in local counsel and revenue officials:

"'A. P. TUTTON, *Supervisor, &c.:*

"'As we have not desired any arrangement with indicted parties, so we decline to interfere with any that has been entered into by the United States district attorney with the approval of his associates and the local revenue officers. Having confidence in their judgment and fidelity, we leave the transaction in their hands, not doubting that they will do what will best subserve the interests of the Government.'"

"THE PRESIDENT EXPRESSED HIMSELF WHOLLY SATISFIED."

After the Secretary and myself had concluded our statement and the explanation of our position, the President expressed himself wholly satisfied therewith, and referred with great kindness to General Webster, and then ensued a very kind and friendly interview touching other matters between the Secretary and

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the President, which it is not necessary or proper for me to go into further than to say that General Babcock's case was again alluded to, and the Everest testimony was stated to the President by the Secretary.

On the evening of that day I addressed the Secretary the following letter :

"JANUARY 27, 1876.

"DEAR GENERAL : I called to bid you *bon voyage*, and to say that within less than an hour after our return from the White House, Babcock came in, a little white and a good deal nervous, and asked me if I had any news. I replied that I had none except what I had given the President. To which he said, 'Yes ; it is that about which I desire to ask you. What does Everest claim about the $500 ?' &c., showing that His Excellency had conveyed at once to Babcock every item of possible evidence which he had received from me. Bab. staid quite a while ; had a very prompt and emphatic denial to every story, and a theory to fit it. He asked me, on going away, to tell him if anything new turned up. This I positively refused, but added that I could not deny when the President asked. He laughed, and said, 'That will do just as well,' and we see that it does. The point of all this is that the President questions me in Babcock's interest. What am I to do? Again, I have no objections on general principles to give Babcock a fair show if the testimony is really false, but how if it should turn out to be true, and what right has he, more than any other accused party, to hear the details of the case against him ?

"B. W."

"I DO NOT GO SO FAR AS THE PRESIDENT WANTED ME TO."

About the 29th of January the Attorney-General called for me, and I went over. He said he wanted to talk to me about the Babcock case and the situation of affairs at Saint Louis, Chicago, and Milwaukee. I said "Certainly." He said, "What is it about this man Everest?" I told the Attorney-General in substance what I had already reported to the President. He said to me that he had been a good deal troubled by a request which the President had made of him with reference to writing a circular-letter to the United States district-attorneys, cautioning them against taking the testimony of accomplices. He said he had told the President that he saw no other way to get to the bottom except by resorting to the use of the testimony of accomplices, and that after two or three interviews with the President, the President being very earnest about it, he had written a letter which he wanted to read to me. He sent his clerk to bring it, and then for the first time he read to me his circular-letter to the district-attorneys. He said, "You note, Wilson, that I do not go so far as the President wanted me to. I took a draught of that letter over to the President, and read it to him, and he was not satisfied with it, and wanted me to say in specific terms that the testimony of no man who entered a plea of guilty should be used in any prosecution, but that the parties should be given to understand that they should be brought to punishment." I said, in reply to the Attorney-General, that I was sorry that the letter had been written; that it would be sure, even in its present condition, to be misunderstood, and I told him that, in my judgment, it was equivalent to saying to those who pleaded guilty, "You must not do it; if you do, you simply render certain your own condemnation, and you have nothing whatever to expect therefrom." The Attorney-General said he hoped the letter would not be so understood ; and he said, "You note that it is not intended for publication." I said that if the district-attorneys did not misunderstand it, if it

THE PRESIDENT DISSATISFIED.

did not create that impression, and if it did not get out, I did not think it would hurt anything. I said I thought no harm would come of it, because I did not believe that the district-attorneys would misunderstand it. That was on the 20th. On the night of the 2d or 3d of February, I read the Chicago *Times*, of the 1st of February, and saw that it contained the circular-letter of the Attorney-General, in substance, with an introduction, in which it was stated, as I now recollect, that the President of the United States was dissatisfied with the policy which had been adopted, and that this letter indicated a change with reference thereto. I took the paper at once and went over to General Bristow and read it to him. I said to him that, in my judgment, a profound crisis had arrived in the prosecutions of the thieves; that, notwithstanding the assurance of the

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President's satisfaction with what had been decided upon in our interview of the 27th of January, it was clearly evident that he meant to bring about a conflict and a change of policy; and I told the Secretary that he must take immediate steps to have an understanding with the Attorney-General and the President. He agreed with me. The steps that he took, he himself and the Attorney-General and the records must show. On the day after the interview with the Secretary of the Treasury, I saw the correspondent of the Chicago *Times*, Mr. Keenan, and he told me that he had received that letter from the hands of Emory Storrs, the counsel of General O. E. Babcock.

"THE PRESIDENT DETERMINED TO DISMISS BOTH THE SECRETARY AND MYSELF."

I wish to say, also, that Colonel Dyer, of Saint Louis, had a conference with the Attorney-General, in which, according to Colonel Dyer's statement, the Attorney-General told him, in substance, precisely what he had told me—that the circular-letter was written at the suggestion and instance of the President of the United States. It is enough for me to say of my own knowledge that such was the result of the events and of the facts that I have here narrated, that the Secretary of the Treasury, by the 15th of February, had resolved that there was nothing left for him but to leave the Cabinet. The personal relations between himself and the President of the United States were almost wholly broken off. We learned from many sources that the President had determined to dismiss both the Secretary and myself at the close of the Babcock trial. One of those sources of information was such, and so high, that it, taken with other facts, created in my mind absolute certainty. Here is a letter which I received about that time:

"CHICAGO, February 16, 1876.

"MY DEAR SIR: I am informed on good authority that General Hurlbut, M. C., who is now at home, is asserting very strongly that so soon as the Babcock trial is finished, General Bristow will go out of the Cabinet. I am also told on good authority that the sensational dispatch in the *Inter-Ocean* of Monday week, relative to the stormy session of the Cabinet, &c., and which the President so directly contradicted, was vouched for by Messrs. Logan and Foster, of Ohio. I tell you this that you may know who your friends are. I see that, according to the paper, the Secretary had a long talk with the President a few days since. If entirely compatible with the proprietors, I should like very much to know how matters stood. The opinion that General Babcock will be acquitted, or not convicted, seems to be gaining ground here very rapidly. Should he be clearly vindicated, it would, indeed, be cause for rejoicing. Please make my respectful regards acceptable to General Bristow, and believe me, faithfully, yours,

"J. D. WEBSTER."

On the 10th of February, I addressed the following letter to the President:

"MY DEAR MR. PRESIDENT: My attention has been called to an article in the *Inter-Ocean* which is said to place me in the attitude of having suborned perjury, and of being a deliberate conspirator against your own good name and that of your relatives. I have not seen the article in question, but understand that I am also charged with having pursued Senator Logan and Mr. Farwell by the same methods. As to these two gentlemen, I am not called to make any explanation further than to say that I have no ill-will toward them personally. I hope, however, that, if they had aided or abetted in any way the commission of fraud on the revenue at Chicago, they will be caught and punished. In reference to your relatives, I ask as a favor that you will read the inclosed copies of letters written to Colonel Matthews, supervisor of internal revenue at Chicago. These copies have been in Judge Pierrepont's possession, as appears from his pencil indorsements thereon. * * I desire to add that every allegation in the article, so far as reported to me, is unqualifiedly false, whether it emanates from Mr. Tutton or from whatever source. Before making up your mind in relation to any statement which reflects upon me, I trust you will have the kindness to permit me to be heard. I have done no act since I have been in public office that I am afraid to own, and none, I am sure, which you will not indorse when you undertand the circumstances and facts leading up to that action.

"With great respect, your friend,

"BLUFORD WILSON.

"P. S.—C. S. Bell was in this morning, with a remarkable story concerning his connection with Babcock, Luckey and Avery."

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From another source I received this:

"We learn that His Excellency demands your head, and that it is soon to be brought in on a charger, resembling the head of John the Baptist—I mean the pious head, not the charger; and we learn that the blood of the solicitor is simply to sharpen the appetite of the animals for the Solicitor's chief, the Secretary of the Treasury. Write me confidentially, and then I will mention some other things we hear in the far West.

"Your friend truly, J. B. HENDERSON."

"THE PAPERS WERE FULL OF IT."

The papers were full of it, and especially those papers that at that time seemed to have the ear of the authorities at the White House. Therefore I wrote to a friend: "It is quite certain that as soon as the trial is over B. and I will be kicked out, and a letter written by the President with the view to destroy one or both of us. Now, is it better to wait for this or to prepare a letter of resignation?" Such further advice and steps were taken as that both the Secretary and myself prepared our resignations, to be delivered to the President immediately upon the close of the Babcock trial. On the 24th of February, the day the Babcock trial closed, I wrote General Webster this letter:

"DEAR GENERAL: Your kind favor of the 10th instant was duly received. Up to the last day or two there has been only too much foundation for the intimation of trouble between the President and the Secretary. It has looked as though there was no power able to prevent a rupture—not so much because of what the principal parties have said or talked of each other, but owing to the industrious and persistent efforts of busy-bodies and tale-bearers to make trouble and mischief. It undoubtedly is true that General Logan and others of the class of politicians of which he is a type have besieged the President with their clamors against the Secretary and myself. In the last two days, however, something like a reaction has set in, owing to the efforts of the best men of the party, and to the representations made by the leading Republicans of Maine and New Hampshire that a quarrel here would be ruin to our cause in those States. These counter-representations, coming from the best men of the party, have stayed, if they have not turned, the tide. The President, from the first, has insisted that he would do nothing rashly or hastily. It is as yet uncertain what the issue may be, though my faith is strong that the good sense of the President will carry him through the mazes of misrepresentation and abuse which seem to surround him and our fortunes. For myself, I have every confidence in his purpose to do right, and having done only my duty, I am neither anxious nor disturbed about what shall happen to me. Dexter has been here and has had a long conference with the Secretary, and, at the suggestion of the latter, also called upon the Attorney-General. I believe the situation is satisfactory, as far as your cases are concerned; and I am not apprehensive that there will be any interference with the programme that was laid down by yourself and associates. Tell Messrs. Ayer and Matthews to get their guns in position for heavy fighting, and open heavily on the enemy at the earliest moment. They cannot be too careful in their preparation, nor too vigilant in strengthening their cases. I hope they will make the conflict sharp and decisive, and that the chiefs of the ring will be brought to the punishment they so richly deserve. I have read your note to General Bristow, and he is always pleased to hear from you, and joins with me in kind regards.

"BLUFORD WILSON."

THE BLACK FRIDAY TRANSACTIONS.

This letter of mine was written on Friday, the 25th day of February, the day on which Babcock was acquitted. On Sunday night, February 27th, statements were submitted to the President of the United States, by which it appeared that Orville E. Babcock, the private secretary of the President, had been engaged in the Black Friday transactions; that he and others lost in the transaction $40,000; that the money was lost to Jay Cooke & Co., of whom Fahnestock seemed to be the party through whom the transactions were had; that to make good his own losses and that of his associates, Babcock had made a trust deed of his property, creating Asa Bird Gardner, of West Point, subsequently the judge advocate of the military court of inquiry ordered at Chicago, his trustee. The statement was made to the President while Babcock was *en route* from St. Louis to Washington.

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It was, I believe, subsequently verified by competent evidence satisfactory to the President. The result was that neither General Bristow nor myself went out of the public service, and that the President of the United States and the Secretary of the Treasury, in a manner highly creditable to both, were reconciled.

Q. What relation has that fact to the retention of General Bristow in the Cabinet? A. Because the President then, for the first time comprehended, in all its significance, the fact that he had been betrayed by Babcock, and that if he (Babcock) had betrayed him in the Black Friday transactions, he was quite capable of betraying him in connection with the whisky frauds, and of becoming a party thereto; and the President recognized that the prosecution against General Babcock had had its full warrant and justification. I wish now to read a letter from another friend in Chicago, who is also a friend of the President.

"FEBRUARY 26, 1876.

"MY DEAR FRIEND: Webster has just shown me your letter of the 24th, which is immensely gratifying to me. I am now quite hopeful that the blow we have so much dreaded and feared may be averted."

"I HAD WRITTEN AN EDITORIAL ARTICLE FOR 'THE NEW YORK SUN.'"

The President sent for me not long after this, and we had a full and very friendly conference, covering all the questions of difference between us, and the result was that I supposed I left him entirely satisfied with myself. I will state here that it has been charged to the President that my office was the rendezvous of hostile newspaper correspondents, and that I had written an editorial article for the New York *Sun*, in which I had praised Bristow, and condemned him, with many other kindred statements besides those I have already set forth. In regard to these charges I have simply to say, as I said to the President, that it is true that several gentlemen of the press honored me with their friendship and acquaintance, and when they called I treated them courteously, and if I had any news for them I gave it to them, and if I had none, that was the end of it. On the 7th of March, being sick, I received this note from General Bristow:

"MY DEAR MAJOR: I am very sorry to hear of your continued illness, and I hope you will stay at home until you are entirely restored. I wanted to see you last night, but could not get away from callers. The President sent for me yesterday to say that he was continually told of unfriendly acts and speeches of yours and Adams. He says it is represented that your room is the rendezvous of unfriendly newspaper correspondents, and that on the day the announcement of Belknap's crime was made you exclaimed in the presence of a member of Congress, 'Well, there is a God in Israel yet,' as if you rejoiced at the announcement; he also said that he was told that you said some days ago, 'If I go out the Secretary will go too.' I told him that I knew nothing of these matters and had never heard of them, but advised him to send for you and talk with you upon the whole subject, which he promised to do after to-day. He also said he would talk with Adams. I write in great haste. Do not come out till you are well, and do not let this annoy you.

"Faithfully yours,

B. H. B."

To this I replied as follows:

"AT HOME, *March* 7, 1876.

"MY DEAR GENERAL: I have your kind note of this instant informing me of your interview yesterday with the President in relation to myself, and I use my right hand at once to denounce to you and the President the infamous liars and busybodies who so persistently and wickedly misrepresent me to his Excellency. The member of Congress drew upon his imagination for his facts, as I must emphatically deny using any such language in reference to General Belknap, though the fact that sin has found him out might not unreasonably be held as proof that there is indeed a God in Israel. As to the other intimation, that I said some days ago, 'If I go out the Secretary will go too,' and the charge that my room is the rendezvous of unfriendly correspondents, both are without any just foundation whatever, as I will be glad to assure the President at his earliest convenience. I trust that he will give me the names of his informants, and an early opportunity to see them, either in his presence or yours. General Grant has no better friend than,

"Yours, truly,

BLUFORD WILSON."

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On the 9th of March I addressed the following letter to the President :

" MY DEAR MR. PRESIDENT: I forward the inclosed letter from General Wilson because I am too unwell to deliver it in person and too weak to write you in detail. He writes you, doubtless because of a note from me that you were again troubled by stories touching my fidelity to you and your administration ; I regret that you are subjected to such annoyance on my account, but I believe if you could see your way either to confront me with those who run to you with their idle inventions, or to give me their names, that I could safely promise there would soon be an end of the whole matter. I have for now nearly seven years waged persistent warfare upon your enemies and those of your administration whenever I had just cause to suspect dishonesty and wrong. I have tried always to keep the facts under my feet and right on my side. I do not claim that I have not made mistakes ; doubtless I have made many. I have also made many enemies, some of them having power and influence. I do not ask you to protect me against them, but I do ask that you will at least give me equal opportunity to be heard in my own defense.

" With great respect, BLUFORD WILSON."

During the progress of the Babcock trial this despatch was sent from Saint Louis to New York :

" SAINT LOUIS, *February* 9, 1876.

" LOUIS DELOMO,

" *No.* 168 *Forsyth street :*

" Can you produce evidence against Wilson for big money ? Answer.

" J. T. PORTER."

This man J. T. Porter was a witness in General Babcock's trial at Saint Louis, an ex-secret-service man dismissed by me, and was there to prove that I had given Washburn, the chief of the secret-service, $5,000 to make a case against General Babcock. I dismissed from the secret-service, in the Spring of 1876, one William B. Moore, who was a special agent of the customs, for the reason that he left his post at Baltimore, without orders and without subpœna, and went to Saint Louis as a witness in General Babcock's case. He was to swear that he was present in General Babcock's room at the White House and saw General Babcock receive the letter from Joyce referred to in the testimony of Everest, and that when opened it contained nothing but a blank sheet of paper. He was not put upon the stand. On his return to Washington he came to me and made repeated requests that I should pay his expenses while traveling from Baltimore to Saint Louis and returning. This I peremptorily refused to do, and told him that the expenses of the trip must, of course, be paid by the defense, in whose interest he was a witness; that for me to pay them would be misappropriation of the public moneys.

GENERAL BABCOCK DISMISSED.

Q. How long after this interview, when you say these friendly relations between Secretary Bristow and the President were restored, was it that General Babcock was dismissed or relieved of his position as the President's private secretary? A. As to that, I should think that the committee ought to go to the records.

Q. About how long? A. It is true that General Babcock on Monday resumed his duties as private secretary and carried a message to the Senate, but my information is that he vacated the position in two or three days thereafter.

Q. When were those friendly relations which had been restored between the Secretary of the Treasury again interrupted? A. I cannot say; but there was a difference between the President and the Secretary with reference to California matters.

Q. That was in reference, was it not, to the dismissal of revenue officers in California who were charged with being connected with frauds upon the revenue? A. I believe it was.

Q. Prior to the conversation that you had with the President, and about the time that these statements were made to him about the connection of General Babcock with the Black Friday speculation, were you aware of the fact of that connection? A. I was, for about ten days or two weeks previous thereto.

Q. Was the Secretary of the Treasury? A. He was.

Q. Did the President have any knowledge of that fact? A. I don't think he did.

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Q. Did he communicate to you the facts about Babcock's connection with the Black Friday matter? A. He did not.

Q. If I understand you, it was not until the jury had acquitted Babcock that the friendly relations between the President and yourself and Secretary Bristow were re-established? A. That is the fact.

Q. When did you resign? A. On the 20th day of June last.

Q. What was the occasion of your resignation? A. The immediate occasion of my resignation was the fact that I had received and accepted, about a month previous, an advantageous offer for professional engagements in my own State, and further, and no insignificant element in it, was a desire on my part to relieve the President of the United States of any further embarrassment growing out of my connection with his administration.

Q. How long was it after General Bristow gave up his portfolio that you resigned? A. About the same day, I think. I resigned June 20, and General Bristow left June 21.

RETIREMENT OF SECRETARY BRISTOW.

Q. Did the contemplated retirement of Secretary Bristow have anything to do with your withdrawal? A. Yes, sir; I will say frankly that both General Bristow and myself had decided late in May to resign just as soon as we could do so without having our motives and purposes misunderstood, and the reason why General Bristow and myself did not resign earlier, was because it was thought best, both by the President and the Secretary, that the relation should not be severed until after the Cincinnati Convention.

"JUNE 20, 1875.

"SIR: For reasons explained to you at our interview this morning, I have the honor to tender my resignation as Solicitor of the Treasury, to take effect on the 1st day of July next. Permit me to express my gratitude for the opportunities for public usefulness which you have been kind enough to give me, and to renew the assurance of my high personal regard.

"With great respect,

"BLUFORD WILSON."

Q. Was there any reply to that? A. I have never received any response to that letter, nor have I received any official notification that my resignation as Solicitor of the Treasury, has been or will be accepted, except as I have seen it in the appointment and confirmation of my successor.

"THE PRESIDENT RECEIVED ME COLDLY."

Q. What was the conversation on the morning to which you refer in that letter? A. It was a brief one. The President received me coldly. I said to him, "I have called, Mr. President, to inform you that I have received and accepted such offers for professional business outside as have decided me to vacate the office of Solicitor of the Treasury. I do this under the advice of my friends, and also for the reason that I wish to put an end to the interminable embarrassments and annoyances to which you are subjected on my account." The President said, "Very well; that he hoped now, after the Cincinnati Convention, we would have a season of quiet;" and I said to him, I hoped that during the remainder of his administration he would have peace and quiet; and with the assurance of my respectful and kindly consideration, I took my hat, bade him good morning, and went away.

Q. He did not treat you very genially at any time during that interview? A. He was cold, but polite.

Q. Your relations and his, for some time prior to this resignation, had not been cordial at all, had they? A. I had not so considered them.

Q. Did it ever occur to you that it was improper for the President of the United States to listen to the tattle of every fellow that chose to tell stories about an officer of the Government? A. As to that question, I think my views are presented in my letter of March 9, and in my interview heretofore narrated.

Q. Did the President of the United States ever give you an opportunity of replying to any of these people other than by mere interviews with himself? A. Never face to face.

Q. Did he ever indicate to you who these people were who he said were telling

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him these things? A. Never. He refused to do that, although I asked him; but I knew full well, upon information entirely satisfactory to me, who they were.

Q. Who were they? A. They were, first and above all, Charles B. Farwell, of Chicago; John A. Logan, of Illinois; Senator Spencer, of Alabama, and Stephen Hurlbut, of the House, and perhaps, though I cannot say certainly, Sargent, of California, together with men like William B. Moore, and one Stewart, a dismissed revenue agent.

Q. At the time that General Babcock gave up his position as private secretary, was he holding any other office that you were aware of? A. Upon information, yes; he was an officer of the Engineer Corps of the United States Army, and as such was Acting Commissioner of Public Buildings and Grounds of this District.

WASHINGTON, *August* 2, 1876.

BLUFORD WILSON re-called and further examined.

Question. You spoke about the appointment of Mr. Henderson as one of the counsel for the Government in Saint Louis in the whisky trial. You also spoke of conversations which you had had with the President in reference to Mr. Henderson. Did you receive any letter from Mr. Henderson, prior to his dismissal, explanatory of his position in those cases? Answer. I received a letter from Mr. Henderson under date of November 5, 1875.

Q. Did you read that letter to the President at any time? A. I had that letter with me in my interview with the President on the 8th of December. I showed it to him. The Secretary of the Treasury also took the letter to the President—at least, I gave it to him for that purpose.

Q. Please read the letter. A. [Reading:]

"SAINT LOUIS, MO., *November* 5, 1875.

"DEAR SIR: I ought to have written you oftener than I have in reference to the progress of things here. My excuse is that my whole time has been devoted to the work of developing the inner workings of two 'rings,' the Missouri and Illinois Rings. This duty and that of watching cases in court and preparing to meet the multiplicity of demurrers, motions, &c., leave me no time to correspond with anybody. In addition to all this, I have deemed it most prudent that Mr. Dyer, who is the responsible head of the office, and who is devoted to the work before him, should attend to the whole correspondence, by which uniformity of information, without repetition, would be secured. I write now simply to post you on one or two points, that you may the better understand the present status and better anticipate the future.

"First, in reference to the marshal of this district. In August last, you remember, I made no positive recommendation in the conversation on the subject with General Pierrepont, General Bristow and yourself. In September, however, a letter came from General Pierrepont to Colonel D., asking him to consult me, and that we join in a recommendation of some fit person. We consulted, and agreed on Benjamin R. Bonner, of this city. I naturally supposed that the appointment would at once be made; but owing, I presume, to the President's absence, it was delayed till telegrams came announcing the appointment of Bonner, and finally until other candidates found out by some means that Colonel Dyer and myself had recommended Bonner.

"A MOST BITTER AND RELENTLESS ENEMY."

"Thereupon, divers persons from this city, who seem to know more about the duty of the Government attorneys than they do themselves, proceeded to Washington and most kindly informed the President that I was a most bitter and relentless enemy of his, both personally and politically, and that the appointment of Bonner was a scheme devised to aid in the purposes of my malevolence. They further urged him to think, as I have reason to believe, that the developments here as to his secretary, General Babcock, were nothing but a put-up job to strike the President himself by aspersions and calumnies upon persons occupying confidential relations with him. These things were said, not because they had one particle of foundation in truth, but simply to effect the defeat of Bonner and the appointment of their own favorites. These things so long delayed the appointment that Newcomb had already been compelled to summon both grand and petit jurors for the term. After this was done, it was exceedingly doubtful whether it would be politic to change officers until after the court, and this conviction was the more strongly impressed upon my mind by the antecedents of some of those

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who might be appointed. How easy for the incoming man to practice treachery and place the responsibility of our failure on the shoulders of the outgoing officer who summoned the juries; hence, with a double view, one in the interest of the public service here, and the other to thwart a political trick which its projectors expected to accomplish through falsehood to the President and injustice to me, I telegraphed to General Pierrepont to postpone the change of marshals, but in the course of ten days after that dispatch signed by Eaton and myself, I became satisfied that the present marshal should not be retained on my responsibility, and Eaton seemed to feel equally the necessity of divesting himself of all responsibility in that behalf. He requested that I go to Washington. The court was in session. I could not leave, and he concluded to see about two things, to wit, first, what could be done in regard to the marshal, and to remove from Mr. Pierrepont's mind all apprehension in regard to the personal malevolence of the assistant prosecutors here toward the President, and the secret purpose on our part of injuring the party, as he, Mr. Pierrepont, seemed to have been informed. Under the circumstances I concurred in his going, and I hope and believe he has confined himself to the objects of his mission after he left: the night after new facts were disclosed to me, which made it certain not only that Newcomb should not be retained but also that no explanations in regard to Mr. Babcock could be made without making ourselves ridiculous in the future; hence, I sent the dispatch which you have, and which you can easily understand in the light of what I have now said. To conclude on this subject, the Department has my recommendation of Mr. Bonner for that place, and I do not and shall not change it, and still believe he should be appointed. Circumstances are such as to make it impossible for me to intimate that Mr. Newcomb should remain.

"Second. In regard to the prosecutions here, you may have absolutely no apprehensions. No one will be indicted, except those whose guilt can and will be established before a petit jury. We are prudent; ay, more, we are cautious. But we have unwound the skein of the most gigantic fraud perpetrated of late years, and intend to bring every one connected with it (high or low) to condign punishment. So far as I am concerned, I have no malice against any man indicted, and my whole action shall be based on a simple discharge of duty. Under these circumstances, I desire that General Pierrepont, who, perhaps, has become unnecessarily frightened by the stories of interested parties, should guard against any premature gush of sympathy predicated upon the hypocritical plea of malice on my part against any one prosecuted, or to be prosecuted, either civilly or criminally; and what I say in reference to myself, I think I can truthfully say in reference to all connected with the attorney's office here.

"Third. As to the progress of our work, you are doubtless informed from day to day by Colonel Dyer, and, I need hardly say, that recent developments here make it certain that the service in Illinois and Wisconsin has been as corrupt as that in Missouri, since 1871.

"It is difficult for us to unearth it at this point as it should be done, but we will be able soon to give you sign-posts, by which your officials in Illinois may unerringly travel to the exposure and conviction of the guilty.

"Now, excuse me for this bore, and believe me yours, truly,

"J. B. HENDERSON.

"Hon. BLUFORD WILSON."

I wish to close this matter with a letter from General J. D. Webster, then Collector of Internal Revenue, at Chicago, who is referred to by Mr. Dexter in the letter just read from him, and referred to, also, in my communication, and who was the party at whose instance I went to Chicago at the time, and under the circumstances referred to in my letter. General Webster's letter is as follows:

GENERAL WEBSTER'S LETTER.

"CHICAGO, *February* 6, 1876.

"MY DEAR SIR: From intimations in the papers and other things I begin to fear that the efforts to make a breach between the President and Secretary have been at least partially successful. If so, I deeply regret it. A few days ago, I wrote a long letter to the President on the situation here, our policy as to the trials, &c. I wrote strongly, as it seems to me nothing but mischief can result from any interference now. The skirmishing is over, and the whole team is en-

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gaged. It is no time to change the plan of battle. I cheerfully assume all the responsibility that my position makes it proper for me to claim. I am sure our policy was and is the right one—the best to secure the ends of justice. I hope Mr. Ayer and Mr. Dexter will go to W. to see the Attorney-General and the Secretary. It is so much better to talk than to write. Could I do any good by going? I am anxious about the political future. To succeed, the Republican party must re-affirm strongly the doctrine of *nationality*, and must make the people believe that it is in *dead earnest for administrative honesty and integrity*. These two are the great ideas now in the minds and heads of our best men, and with them we can win. If you can enlighten me any on the situation, please do so. Are there any new combinations? We are now consulting here on the best way to get the influence of the best men uppermost. The 'bummers' are desperate—but they mean to control yet, if possible.

"Very truly, yours,

"J. D. WEBSTER.

"HON. BLUFORD WILSON."

Q. Before you leave this subject, I desire you to state what you know in regard to the *nolle prosequi* of the indictments against Ward and Wadsworth, in relation to which Mr. Bangs certified yesterday? A. On that point I have to say that I was firmly opposed to the dismissal of the cases against Ward and Wadsworth, and my views on that subject were communicated to the local counsel in a letter written on the 29th of May last, shortly after the acquittal of Munn, from which this is an extract:

"T. S. KINNEY, *Revenue Agent:*

"And now as to the revenue cases, don't yield—not an inch. Munn, Ward and Wadsworth are guilty, and must not escape except on the verdict of juries after a most determined and vigorous fight. The Sagetown case, not resting on Rehm's testimony, ought to be kept on the docket and studied thoroughly by Bangs, with Washburn's help. McKinney and Dixon should be strengthened all in your power, and no effort should be spared to bring out all the facts, leaving the results to judge and jury. In no event should *nolles* be entered. The cases may be continued, if necessary, a single term, in order to study the situation and gather strength for a new start; meanwhile General Bristow and myself will call together to-morrow on the Attorney-General and demand that our lawyers be paid. The Secretary knows the sentiments expressed on the other page, and agrees fully therein. You can read this, if you think best, to Dexter and Ayer, but I have no doubt the Commissioner of Internal Revenue will give you official advices to the same purport, and don't continue unless absolutely necessary.

"Faithfully, your friend,

"BLUFORD WILSON."

That letter was received by General Kinney, and by him read to the local counsel and the local revenue officers, as indicative of the views of General Bristow and myself as to the disposition that ought to be made of those cases. Subsequently those views were re-affirmed and re-asserted by me in consultation with the local counsel and the local revenue officers at Chicago, in which consultation every one of them without exception, in response to my question, expressed a conviction of the guilt of Ward and Wadsworth; whereupon I said to them that if they conscientiously believed from the evidence that the men were guilty, that closed the argument, and the cases should be tried, and the responsibility for the acquittal left where it properly belonged—with the judge and juries.

THE CIRCULAR LETTER OF THE ATTORNEY-GENERAL AS AN INTERFERENCE WITH THE PROSECUTION OF GENERAL BABCOCK.

Q. You state that you regard the circular-letter of the Attorney-General as an interference with the prosecution of General Babcock. Have you not also stated in your direct examination that if the letter had not been published it would have had no effect upon the prosecution? A. I believe that I have, for the reason that it would have remained alone in the knowledge of the Attorney-General and prosecuting officers, and would not have reached the parties for whom it was evidently designed—the witnesses.

Q. Are you prepared to say that the President had anything to do with the publication of that letter? A. I am not.

Q. Do you think that he was entirely innocent of its publication? A. That is a

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matter of opinion, merely, and I decline to answer the question, but do no wish any inferences to be drawn one way or the other with reference to my refusal to answer.

Q. You say it was handed to the Chicago *Times* by Mr. Storrs? A. Yes; and I should here say that Mr. Storrs has himself so stated to me.

Q. Did he not say at the time, and was it not so stated in the public press that it was published by Mr. Storrs? A. I do not think he did; no, sir. Mr. Storrs told me on the 3d day of June last, when I met him in Chicago, that he gave the letter to the *Times* correspondent.

Q. Do you not think that that letter was entirely a proper one? A. No, sir; I do not, under the circumstances under which it was issued, but to the contrary.

Q. What was the date of its issue? A. I think it was dated either the 26th or the 28th of June. I am not sure which.

[A copy of the letter referred to is produced by Mr. Plaisted and handed to the witness.]

The WITNESS. Having a copy of the letter before me, I find it is dated January 26, 1876.

The letter is as follows:

"DEPARTMENT OF JUSTICE,
"*Washington, D. C., January* 26, 1876.

"DEAR SIR: My attention has to-day been called to many newspaper reports, stating that in Saint Louis, Chicago, and Milwaukee, large numbers of guilty men who confess their guilt are to be let off from prosecution and punishment. I cannot suppose that this is true, but my attention being called to it, I direct a letter to each of those places, that the district-attorneys may know that suggestions have been made that quite too many guilty men were to go unpunished. I am aware that in the excitement many unfounded rumors will gain credence, and I repose on your good judgment to prevent any possible scandal from anything that would even look like favoritism toward those who have defrauded the Government. It is the President's reiterated desire that no guilty man shall escape. I do not know that there is any intention on the part of any one charged with the administration of the laws to favor any person, and the appearance of any such favoritism should be very carefully avoided. I write this by way of abundant caution, for I am determimed, so far as lies in my power, to have these prosecutions so conducted that when they are over the honest judgment of the honest men of the country, which is sure in the main to be just, will say that no one has been prosecuted from malice, and that no guilty one has been let off through favoritism, and that no guilty one who has been proved guilty, or confessed himself guilty, has been suffered to escape punishment.

"Yours, very respectfully,

"EDWARDS PIERREPONT,
"*Attorney-General.*

"DAVID P. DYER, Esq.,
"*United States Attorney, Saint Louis, Mo.*"

Q. Take that letter, and point out wherever you regard it as improper. A. Take the first sentence: "My attention has been called to many newspaper reports stating that in St. Louis, Chicago, and Milwaukee, large numbers of guilty men who confess their guilt are to be let off from prosecution and punishment." That statement, ignoring as it does entirely the fact which he must also have seen in the same newspaper reports that these men were accepted as State's evidence, to be used against other people, is a very objectionable and unfair presentation of the case. Then take the sentence: "I do not know that there is any intention on the part of any one charged with the administration of the laws, to favor any person, and the appearance of any such favoritism should be very carefully avoided." As there was nothing, either in the official communications to the Attorney-General from the prosecuting officers, or from any other reliable official source, that reflected, as the Attorney-General's language does reflect, upon the candor and fairness of the district-attorneys, that sentence contains an imputation utterly unbecoming the head of the Department of Justice, and uncalled for under the circumstances. The last sentence or clause in which he says, "and that no guilty one, who has been proved guilty, or confessed himself guilty, has been suffered to escape punishment," was a square blow at the right of the district-attorneys to accept the testimony of accomplices, and, in substance,

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said to those men who had confessed their guilt, and who had been, or were abou to be, accepted as State's evidence.

"SHUT YOUR MOUTHS; YOU HAVE NOTHING WHATEVER TO GAIN BY TALKING OR CONFESSING."

Q. What have you now to say in reference to the tendency of the whole letter, written as it was at that time? A. It was, under the circumstances, a square issue with the district-attorneys at St. Louis, Milwaukee, and Chicago, and was equivalent to a command to them not to make terms with any person who confessed his guilt. It struck a vital blow at the hope of the Treasury Department and of the local officers to reach, by means of accomplices, the really guilty parties in the conspiracies—the men who had inspired and organized them.

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THE IMPEACHMENT OF BELKNAP.

Why He was Acquitted by a Republican Senate.

HIS LAWYER ARGUED THAT HE WAS NO MORE GUILTY OF BRIBETAKING THAN GRANT.

The following main portions of the argument of HON. E. G. LAPHAM, one of the two *Republican* managers in the impeachment trial of W. W. Belknap, and the concluding portion of the argument of HON. J. S. BLACK, the leading counsel for the defendant, supply all the facts necessary to give an intelligent idea of the crime of the late Secretary of War the defense on which he relied, and the flimsy pretext on which the Republican Senate condoned the offense, which none dared to deny and very few attempted to palliate.

ARGUMENT OF HON. E. G. LAPHAM, (REPUBLICAN,) OF NEW YORK.

If, as these articles charge, he has abused that confidence, betrayed his trust, and fallen from the high position almost at the first presentation of temptation, the conclusion that he is thus guilty deters all just minds from cultivating any sympathy in his behalf, however much we commiserate the position in which he is placed by his own voluntary acts. On the contrary, his case demands the most stern and fearless execution of all the punishments provided by the Constitution and laws in such cases.

The articles of impeachment charge:

First.—That the defendant, being Secretary of War, promised to appoint Marsh as post-trader at Fort Sill; that thereafter, and on the 8th day of October, 1870, Marsh and Evans made the agreement which has been put in evidence; that on the 10th day ofO ctober, 1870, the defendant, at the request of Marsh, appointed Evans post-trader; and that on the 2d of November, 1870, and at the end of each three months thereafter for one year, the defendant corruptly received from Marsh the sum of $1,500 in consideration of the appointment of Evans and of retaining him in his place.

Second.—That on the 4th of November, 1873, the defendant corruptly took and received from Marsh the sum of $1,500, in consideration of which he corruptly agreed to retain said Evans at said military post.

Third.—That the defendant, being Secretary of War, and having authority to appoint a post-trader at Fort Sill, did, at the request of Marsh, on the 10th October, 1870, appoint Evans, who continued to hold the office to March, 1876; that before the appointment Evans and Marsh made the said agreement, and in pursuance of the same Evans paid Marsh quarterly for the first year the sum of $12,000, and large sums after that until December, 1875; that on the receipt of each sum by said Marsh, he, said Marsh, paid one-half to the defendant; that the defendant, well knowing these facts and having the power to remove Evans, disregarded his duty and permitted him to remain the post-trader at Fort Sill.

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Fourth.—That the defendant, on the 10th of October, 1870, did appoint said Evans post-trader at Fort Sill, and for such appointment and for continuing him in office did receive from Marsh large sums of money; and in this article are seventeen specifications setting forth the date and amount of each payment.

Fifth.—That on the 10th of October, 1870, the defendant appointed Evans as post-trader at Fort Sill, and permitted him to retain the place until March, 1876: that the defendant was induced to make the appointment at the request of Marsh, in consideration of which Evans paid Marsh $12,000 a year until the 25th of March, 1872, and $6,000 a year thereafter; yet the defendant, in consideration he would permit Evans to retain said post, did receive from Marsh for his own use, or to be paid over to his wife, the several sums of money stated in the specifications of the fourth article.

BELKNAP VIRTUALLY CONFESSES HIS GUILT.

To these articles the defendant has put in no answer or denial but stands mute, and the trial by an act of mercy to him has proceeded as upon a plea of not guilty.

If he really had a valid and tangible defense, one would have supposed he would have gladly availed himself of the opportunity to spread upon the record and to have called some one or more of the one hundred and ninety-seven witnesses we were notified he should call to prove such defense and to establish his innocence.

Indeed the learned counsel for the defendant (Judge Black) in substance, in one of his earlier speeches during the progress of the trial, characterized the defense upon which General Belknap relied and which he believed to be complete as being so inexpressibly painful to him that the House have better had taken his life than put him on trial for this accusation. The defense has not been presented for the consideration of the Senate; none of the one hundred and ninety-seven witnesses have been called to establish the said defense under the assumed plea of not guilty.

But he has been content to call witnesses to prove that down to this charge he sustained a good character, and without attempting to deny or disprove the payment of these large sums of money, amounting in the aggregate to over $21,000. His previous good character will be of little avail if these payments and the purpose for which they were made are established by the evidence in the case, as we shall claim they are beyond all question. It is only in doubtful cases, or those depending mainly upon circumstantial evidence, that proof of good character is of importance to a person accused of crime.

It is not necessary in this case, in order to convict the defendant, that he shall be shown to have committed an offense punishable by law as a statutory offense. This was fully settled in the case of President Johnson, and the Barnard case in New York, and is the recognized doctrine of most of the elementary writers.

The defendant may be convicted, we submit, under the fifth article for receiving for his wife and family those various sums of money, and keeping Evans in his place in consideration thereof, as well as for receiving it for a like purpose for his own use.

Admitting, as the evidence tends to show, that the first remittance was for his second wife and the second and third for his child, yet the subsequent payments were, as sworn to by Marsh, for the defendant's own use, and the defendant's present wife was in no event to have an interest in the money.

THE EVIDENCE AGAINST BELKNAP.

We are brought, then, to a consideration of the evidence, with a view of ascertaining what are the facts proven to establish the guilt of the defendant.

Senators will bear in mind it is only a question of fact which remains to be decided. The question of law as it affects the jurisdiction of the court has been decided, the judgment of the court has been entered thereon, and the court has ordered the trial of this question of fact as upon a plea of not guilty. In the Barnard case in New York, three judges of the Court of Appeals and seven senators voted against jurisdiction on all the articles charging Judge Barnard with offenses committed during a term of office which had expired before he was impeached. Yet the same judges and senators voted him guilty on the articles thus objected to for want of jurisdiction, on several of which the vote was unanimous that the respondent was guilty. After the question of jurisdiction was settled there it became a question of fact, as it is here, does the proof establish the guilt of the respondent?

That the relations between the defendant and Marsh were more than usually intimate for some cause, is very fully established by the proof; and yet they were strangers until after the passage of the act of July, 1870, giving the appointment of post-traders to the Secretary of War. The section conferring that power was put in the Army Appropriation Bill on the recommendation of the Secretary of War, as stated

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in the *Tribune* article, and as proved by Mr. Crosby, and not denied by the defendant. This change, which took from the post council of administration the power to control the sutler in his prices, and superseded the act of 1866, which provided that the soldiers should have their supplies at cost, gave to a post-trader, when appointed, the sole occupant of a military post, a complete monopoly of prices without any check or restraint whatever.

It appears by the evidence that the first application of Evans to be appointed post-trader at Fort Sill was made as early as the 23d of June, 1870, nearly a month before the act empowering the Secretary to make the appointment became a law. It is signed by all the officers at that post, indorsed by General Grierson, and is, I venture to say, the strongest recommendation ever made to the respondent for such an appointment. By this it is evident that in military circles it was known or believed the respondent was to be clothed with this power. This recommendation was accompanied by a letter from General Grierson and an application from Evans, found on page 133 of the record. There was also a second recommendation forwarded by Evans, which is signed by the same officers as the one of the 23d of June, is without date, but was filed in the office of the Adjutant-General on the 25th of July, 1870. On the 18th of August, 1870, Evans wrote the defendant from Philadelphia, calling his attention to the recommendations he had sent, and to the fact that he and Mr. Durfee had large interests at stake and would suffer irreparable loss unless retained as traders at Fort Sill.

There was no other application for the post at Fort Sill, except the one made by Marsh, which bears date August 16, 1870, two days before the letter of Evans. Was the letter written at that date, or being written afterward, and after Marsh had made the acquaintance of the Secretary of War, was it antedated so as to precede the date of the letter of Evans? Bear in mind, senators, the applications of Evans, so well supported, as I have shown, were on file from and after the 25th of July, 1870.

Now, what is the evidence as to the time when the defendant first saw Marsh? According to the recollection of Marsh, the first he ever saw respondent was at his house, in September, 1870. The defendant undertook to show by Marsh that he first saw him at Long Branch, in September, 1870, but Marsh does not remember that; and what Marsh says upon seeing the letter dated August 16, 1876, is reasoning, and not recollection. These two applications by Evans and Marsh were filed the same day, September 23, 1870; and it is very evident, from Marsh's testimony, that he had not made the acquaintance of the defendant until that month.

The application of Marsh, bearing date the 16th of August, 1870, has upon it two indorsements in the handwriting of the defendant, as follows: "Receive l August 16, 1870." The proof establishes, by the records of the War Office, that the defendant was absent from Washington from the 12th of August to about the middle of September. He could not have received it, therefore, on the 16th, unless addresse to him at some other place, which is not to be presumed, and is not shown. The double endorsement of its eceipt by the defendant is, at least, a suspicious circumstance in the case.

There was nothing in support of the application of Marsh. The indorsement of Congressman Stevenson bears date the 2d of November, 1870, which was after the appointment of Evans was made. When it was received at the War Department does not appear. The evidence of Evans shows that he called on the Secretary of War early in October with reference to his application. The Secretary told him he had promised the appointment to Marsh, who would be in the city that or the next evening, and he had better see him and they could probably make some satisfactory arrangement.

THE ARGUMENT BETWEEN EVANS AND MARSH.

Marsh says he was called to Washington by a telegram from the respondent or Mrs. B.; that he came here and called on the Secretary, and was informed by him that Evans was in the city and he had better see him. The Secretary also said that Evans had a large stock on hand at Fort Sill, and he (Marsh) ought to make some arrangement to save him from loss. The defendant told him where Evans would be found. (See page 164 of the record.) At this suggestion Marsh called on Evans, and they made the arrangement preliminary to the agreement of the 8th October, 1870. The sum of $20,000 was first exacted by Marsh; finally $15,000 was fixed, and the parties were to go to New York the next day and have the writings drawn. On the way to New York, the next day, Evans stated to Marsh he had seen a statement in the papers that a portion of the troops stationed at Fort Sill were to be removed; that $15,000 was more than he could pay, and the sum of $12,000 was finally agreed upon, to be paid quarterly in advance. Why paid in advance? Clearly from the terms of the agreement to secure the certain payment of the bonus and to enable Evans to hold

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the place. It was not to be a division of profits, but the payment in advance of a fixed sum whether Evans made profits or not. If he had not made a dollar or a dime, he was bound to pay this large bonus or surrender his post. I desire Senators to read at this time and in this connection the agreement as finally executed on the 8th October in the city of New York. It will be found in the trial RECORD at page 112, or in the CONGRESSIONAL RECORD of July 7.

It will be seen, Senators, that the parties, after seeing the Secretary of War separately and receiving the directions as I have stated, made their preliminary arrangements and left for New York, without again calling on the Secretary on the subject. What do we next learn in regard to the appointment? It is the letter from Marsh to the respondent, written on the 8th October, the same day of the agreement, and sent from the city of New York by mail to Mr. Belknap. This is the letter which was never put on the files of the War Department, which was never indexed by Crosby in the index of semi-official letters which was taken away by the respondent from the files of the War Office, and only produced here on notice by us that unless produced we should give parol evidence of its contents. It is the key which unlocks the whole mystery which surrounds this case up to this point, and lays bare the motives which actuated the respondent in making the appointment of Evans. It reads:

MARSH'S LETTER TO BELKNAP.

"No. 51 WEST THIRTY-FIFTH STREET,
"*New York City, October* 8, 1870.

"DEAR SIR: I have to ask that the appointment which you have *given to me* as post-trader at Fort Sill, Indian Territory, *be made in the name* of John S. Evans, as it will be more convenient *for me* to have *him manage the business at present.*

I am, my dear sir, your very obedient servant,

C. P. MARSH.

"P. S.—Please send the appointment to me, 51 West Thirty-fifth street, New York City.

"Hon. W. W. BELKNAP,
"*Secretary of War, Washington City.*"

Although this letter is the one upon which the defendant obviously acted in making the appointment in the *name of Evans*, as the appointment was sent according to the request contained therein, it was withdrawn from the War Office by the defendant about the time of his resignation, and was only produced in pursuance of notice by us, as I have already stated.

Two days after this the respondent made the following appointment:

WAR DEPARTMENT,
Washington City, October 10, 1870.

SIR: Under the provisions of section 22 of the act of July 15, 1870, you are hereby appointed a post-trader at Fort Sill, Indian Territory, and will be required to assume your duties as such within ninety days from the date of this appointment. You will please report to this Department through the Adjutant-General's Office your acceptance or non-acceptance of this appointment.

WM. W. BELKNAP,
Secretary of War.

Mr. JOHN S. EVANS,
Care of C. P. Marsh, Esq., 51 West Thirty-fifth street, New York City.

POST-TRADERSHIPS BARTERED BY BELKNAP.

Senators, can any man fail to see the obvious truth shown by this letter, and the inferences which are inevitable from the circumstances and language employed? Was there ever any agreement, says the defendant's counsel to Marsh, between you and Mr. Belknap that he should share in any money paid you by Evans? Of course Marsh replied there was none. But what does this letter show? On its face it is a proposition to farm out this appointment for the benefit of Marsh. "I want my appointment as post-trader at Fort Sill made in the name of Evans, as it will be more convenient for me to have him manage the business for me at present," is the fair import of its language. General McDowell was nearer right than appears on the surface when he assumed that Marsh and not Evans was the post-trader at Fort Sill.

The appointment, it will be seen, was sent to Marsh as requested, and Evans on the 1st day of December, 1870, accepted the same by letter to the Adjutant-General as provided in the appointment. On the 14th January, 1871, the defendant issued an order as follows:

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A. G.

Commanding officer at Fort Sill to be notified to remove all traders from that post except Mr. J. S. Evans, who was appointed by Secretary of War under act July 15, 1870. I understand that Mr. Walker still remains there with stock of goods.

W. W. B.

January 14, 1871.

This was sent on the 17th of February, 1871, to Colonel Grierson, in command at Fort Sill, and on the 26th of February, 1871, Colonel Grierson reported to the Secretary as follows:

HEADQUARTERS, FORT SILL, INDIAN TERRITORY,
February 26, 1871.

Sir: I have the honor to acknowledge the receipt of communication of January 17, 1871, relative to the removal of all traders from this reservation other than J. S. Evans, who has been appointed by the Secretary of War.

Immediately upon being informed by Mr. Evans that he was prepared to enter upon the duties of trader, Mr. Walker was notified to close his store and remove his stock, &c., from the military reservation without delay. (Copy of letter herewith enclosed.)

OTHER TRADERS FORCED TO LEAVE FORT SILL FOR EVANS' BENEFIT.

Mr. Walker, failing to sell his goods to Mr. Evans, was given a reasonable time to obtain the necessary transportation to remove his property, which arrangement was perfectly satisfactory to Mr. Evans, as he informed me then and since. The goods, buildings, &c., were all removed about the 1st of January.

Very respectfully, your obedient servant,

B. H. GRIERSON,
Colonel Tenth Cavalry, Commanding.

To the ADJUTANT-GENERAL, *United States Army,*
Washington, District of Columbia.

We prove by the Adjutant-General that simultaneously with the appointment of Evans an order was issued containing the following:

As soon as Mr. Evans shall be prepared to enter upon the discharge of his duties, you will cause the removal from the military reservation at Fort Sill, Indian Territory, of all traders not ho ding a letter of appointment from the Secretary of War under said act.

This the Adjutant-General states was the form of an order sent upon the appointment of each post-trader; but the order of the 14th January, 1871, which I have read, was applicable at Fort Sill only. Upon the receipt of the order issued upon the appointment of Evans, the officer in command at Fort Sill gave notice to the other traders at Fort Sill to immediately close their stores and remove from that military reservation. There were at that time trading at Fort Sill, Messrs. Walker, J. C. Dent & Co., and Mr. Durfee. They all had valuable stocks of goods, and it was as detrimental to them to be compelled to leave as the respondent said to Marsh it would be to Evans. But they were in the way of the objects sought to be accomplished by appointing Evans for the convenience of Marsh, and so they had to "step down and out," no matter at what sacrifice. On the 1st of June, 1870, the respondent issued his order, among other things revoking the Army Regulations in regard to settlers, which are in the following words:

196. The post council shall prescribe the quantity and kind of clothing, small equipments, and soldiers' necessaries, groceries, and all articles which the sutlers may be required to keep on hand; examine the sutler's books and papers, and fix the tariff of prices of the said goods or commodities; inspect the sutler's weights and measures; fix the laundress's charges, and make regulations for the post school.

197. Pursuant to the thirtieth article of war commanding officers reviewing the proceedings of the council of administration will scrutinize the tariff of prices proposed by them, and take care that the stores actually furnished by the sutler correspond to the quality prescribed.

So that by this act of the defendant, Evans was allowed to charge his own prices without check or restraint from any one.

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BELKNAP SHIELDS EVANS.

In October, 1871, a serious complaint was made against Evans that he was introducing spirituous liquors and wines and ale into the Indian country. The complaint was made by the United States Attorney of the Western District of Arkansas to the Solicitor of the Treasury, and by him on the 28th of October, 1871, referred to the Secretary of War. On the 2d of November, 1871, the defendant informed the Solicitor that Evans & Co. had the right to take to that post ten gallons of brandy and ten gallons of whisky monthly for the use of the officers, but no permit had been given him to introduce any liquors into that country. The defendant has proved that on the 28th of October, 1871, the same day Solicitor Banfield referred the matter to him for consideration, he, without request from any one, so far as appears, and certainly without the advice of the officers stationed at the post, or any of them, issued an order to Evans of his own volition, which could not have reached Evans before the letters of the 2d and 8th of November. On the 8th of November, 1871, the defendant addressed to the Solicitor the following:

WAR DEPARTMENT, *November* 8, 1871.

SIR:—In further response to your letter of the 28th ultimo on the subject of the alleged illegal introduction of liquors, &c., into the Indian country by certain persons, among others Evans & Co., of Fort Sill, I have the honor to inform you that Mr. John S. Evans, post-trader at Fort Sill, through his friends, denies having taken liquor into the Indian country without authority. Mr. Evans was appointed to the post-tradership on October 10, 1870, and holds it in his own name, and not in that of Evans & Co., and no complaint has ever been made against him by the military authorities at Fort Sill, he having been regarded a good and law-abiding business man.

I therefore request that no proceedings be commenced against him without a thorough investigation of the charges that he has been engaged in such practices shows they were well founded.

W. W. BELKNAP,
Secretary of War.

The SOLICITOR OF THE TREASURY.

Who were the "friends" through whom the Secretary had been informed that Evans denies having taken liquor into the Indian country without authority? Nothing could have been heard from Fort Sill, as it would have taken at least fourteen days to hear from there by mail if there were no delay in the answer. The Records of the War Department show no such communication by mail or telegraph; and this instruction not to prosecute Evans and the permit of the 28th of October were acts of favoritism on the part of the defendant, the reason for which will be apparent when we consider the remaining evidence in the case.

It does appear, however, that on the 18th of November, 1871, the defendant wrote General Grierson on the subject, and received from him an answer, as follows:

[Personal.]

FORT SILL, INDIAN TERRITORY, *December* 8, 1871.

SIR: Respectfully referring to your letter of the 18th ultimo, I have the honor to report that more ale, wine, and porter was introduced by John S. Evans than was contemplated by me in my indorsement of July (August) 22, 1871; but it was done by the authority of the officer temporarily in command of the post while I was absent in the field.

I do not think that the post-trader has strictly complied with the provisions of my indorsement referred to; yet I believe it was not his intention to violate the restrictions imposed therein. As to the amount introduced, I respectfully refer you to the report of John S. Evans, also to a copy of the indorsement authorizing the introduction, herewith inclosed.

Very respectfully, your obedient servant,

B. H. GRIERSON,
Colonel Tenth United States Cavalry, Commanding.

HON. W. W. BELKNAP,
Secretary of War, Washington, D. C.

Although this letter is marked "personal," unlike the Marsh letter, not so designated, it was placed on the files of the War Office. On the 5th December, 1871, the defendant addressed a similar inquiry to General Sheridan, to which no answer was ever received, or at least none appears on the records of the War Office. The alleged irregularity of Evans being thus bridged over for the time, nothing occurred to revive

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the excitement until the *Tribune* article of the 16th of February, 1872. General Hazen, who had been in command at Fort Sill, furnished the facts therein stated. This the defendant knew, and he also knew the contents of the article so published.

This publication, after stating the history of the abolition of the sutlerships, which were under the control of the council of administration as to their charges, and stating the fact that after the war it was provided that the Commissary Department should furnish the articles theretofore kept by sutlers, at cost price; that this was regarded as irksome and was disregarded, and that on the recommendation of the defendant the Act of 1870 was enacted, concludes with the following quotation from an officer stationed at Fort Sill:

EXTORTION BY EVANS.

I have incidentally learned that you have a desire to know whether a bonus is required from the traders here for the privilege of trading, and have been urged to write you the facts in the case. As there seems to be no secret made of the matter, and as, in common with all others here, I feel it to be a great wrong, I think you will readily excuse the presumption which my writing unasked by you might indicate. I have read the contract between J. S. Evans, a Fort Sill trader, and C. P. or C. E. Marsh, of 1867 or 1870, Broadway, New York, office of Herter Brothers, whereby J. S. Evans is required to pay said C. P. or C. E. Marsh the sum of $12,000 per year, quarterly in advance, for the exclusive privilege of trading on this military reservation. I am correctly informed that said sum has been paid since soon after the new law went in force, and is now paid, to include some time in February next. This is not an isolated case. I am informed by officers who were stationed at Camp Supply, that Lee & Reynolds paid $10,000 outright for the same exclusive privilege there. Other cases are talked of, but not corroborated to me; sufficient to state, the tax amounts to near $40 per selling day, which must necessarily be paid almost entirely by the command, and you can readily see that prices of such goods as we are compelled to buy must be grievously augmented thereby. It not being a revenue for the Government, and Mr. Marsh being an entire stranger to every one at the post, it is felt by every one informed of the facts to be, as I said before, a very great wrong.

On the 17th of February, 1872, the defendant addressed to the commanding officer at Fort Sill the following order and inquiry:

WAR DEPARTMENT,
Washington City, February 17th, 1872.

The commanding officer at Fort Sill will report at once directly to the Adjutant-General of the Army, for the information of the Secretary of War, as to the business character and standing of J. S. Evans, post-trader at that post, whether his prices for goods are exorbitant and unreasonable or whether his goods are sold at a fair profit; whether the prices charged now and since his appointment to that position by the Secretary of War, under the act of July 15th, 1870, are higher than those charged by him prior to that appointment, when he was trader under previous appointment; whether he has taken advantage of the fact that he is sole trader at that post to oppress purchasers by exorbitant prices; whether he charges higher prices to enlisted men than to officers; and whether he has complied with the requirements of the circular of the Adjutant-General's office, issued June 7th, 1871.

The commanding officer is expected to make as full and as prompt a report as is possible.

W. W. B.

It will be observed there is not a word in this about the real evil, the payment of the $12,000 per year quarterly in advance, one-half of which has been regularly sent to the defendant as we have proved.

The response of General Grierson shows how a disinterested and faithful officer performed his duty, and is as follows:

HEADQUARTERS, FORT SILL, INDIAN TERRITORY,
February 28th, 1872.

ADJUTANT-GENERAL, UNITED STATES ARMY,
Washington, D. C.

SIR: I have the honor to acknowledge the receipt of your letter dated February 17th, 1872, relative to the post-trader at this post.

EVANS NOT AT FORT SILL FOR MONTHS.

I understand J. S. Evans's character as a business man is good, and he has heretofore given general satisfaction; but Mr. Evans is absent, and has been for some

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months, and has associated with him J. J. Fisher, now also absent, who has had control of the establishment and who claims to have the greater pecuniary interest in the business, (the business being conducted, however, under the name of J. S. Evans.) Repeated complaints have been made to me of the exorbitant prices at which goods were sold by them, and when I have represented the matter to the firm they replied that they were obliged to pay $12,000 yearly (to a Mr. Marsh of New York city, who they represent was first appointed post-trader by the Secretary of War) for their permit to trade, and necessarily had to charge high prices for their goods on that account. I have repeatedly urged them to represent this matter in writing to me, in order that I might lay the matter before the proper authority to relieve the command of this burden, upon whom it evidently falls; but they declined to do so, stating that they feared their permit to trade would be taken from them.

As the prices could not be regulated by a council of administration, the trader not being a sutler, it has been contemplated by some of the officers of the garrison to represent this matter, without reference to J. S. Evans, through the proper military channels, but as it was claimed that the authority for the tradership emanated from the Secretary of War, it was feared that that course might be construed as taking exception to the action of superior authority.

The prices are considerably higher since his appointment by the Secretary of War than previously, and he has undoubtedly taken advantage of his position as sole trader in charging these exorbitant prices, giving the reasons above quoted, stating that he could not, under the circumstances, sell goods at lower prices.

It has also been reported to me that he charges enlisted men greater prices for the same articles than he does officers, and, at all events, it is very evident that the officers and men of this garrison have to pay most of the $12,000 yearly, referred to above, they being the consumers of the largest portion of the stores.

U. S. SOLDIERS ROBBED FOR TRADERS' BENEFIT.

I feel that a great wrong has been done to this command in being obliged to pay this enormous amount of money under *any* circumstances: the largest portion of which, at least, has been taken from the officers and enlisted men of this post, nearly *all* the money of the latter mentioned going to the trader. The responsible party of this great injustice should be *held* responsible and be obliged to refund the money.

If J. S. Evans has *not* paid this exorbitant price for permission to trade, as stated by him, his goods should be seized and sold for the benefit of the post fund.

In order to insure a healthy competition, to reduce the price of goods, and to relieve the officers and soldiers of this garrison from this imposition, I recommend that at least three (3) traders be appointed, and that those appointments be made upon the recommendation of the officers of the post; that each trader be *known* to be interested only in his own house, and that they be obliged to keep such articles as are required for the use of officers and enlisted men of the army, and to sell them at moderate prices.

The trader complies with circular of A. G. O. issued June 7, 1871, as far as I am aware.

The buildings (store, &c.), however, are not convenient to the present garrison, having been built at the time when the command was in camp.

Very respectfully, your obedient servant,

B. H. GRIERSON,
Colonel Tenth Cavalry, Commanding.

Received in the office of the Adjutant General, March 9, 1872.

[Indorsement.]

WAR DEPARTMENT, A. G. O., March 11, 1872.

Respectfully forwarded to the Secretary of War, with application of C. P. Marsh for tradership at Fort Sill.

E. D. TOWNSEND,
Adjutant General.

What action did the defendant take on the receipt of this which the proof shows was on the 9th of March, 1872? None whatever. While he should have at once issued an order removing Evans, as the President did when the facts were brought to his knowledge, he forebore action until General McDowell waited on him and told him it was a "thing that would be damaging to the service if it was not at once corrected." General McDowell also told him it concerned him personally. The Secretary said in substance that these traders were not sutlers, and the military had no power to control them. He had obtained the unqualified opinion of the Judge-Advocate General, dated

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March 16th, 1872, that he had not and could not exercise control over post-traders as to the prices at which they should sell goods to soldiers and others.

Yet, with the concurrence of General McDowell, who was acting upon the mistaken view that Marsh was the post-trader and Evans his agent, he issued the order of the 25th March, which the Adjutant-General says is all the notice he ever took of General Grierson's letter; and to this order I desire to call the particular attention of Senators. It is as follows:

BELKNAP'S ORDERS.

[Circular.]

WAR DEPARTMENT,
Washington City, March 25th, 1872.

I. The council of administration at a post where there is a post-trader will from time to time examine the post-trader's goods and invoices or bills of sale; and will, subject to the approval of the post-commander, establish the rates and prices (which should be fair and reasonable) at which the goods shall be sold. A copy of the list thus established will be kept posted in the trader's store. Should the post-trader feel himself aggrieved by the action of the council of administration, he may appeal therefrom through the post-commander to the War Department.

II. In determining the rate of profit to be allowed, the council will consider not only the prime cost, freight, and other charges, but also the fact that, while the trader pays no tax or contribution of any kind to the post fund for his exclusive privileges, he has no lien on the soldier's pay, and is without the security in this respect once enjoyed by the sutlers of the army.

III. Post-traders will actually carry on the business themselves, and will habitually reside at the station to which they are appointed. They will not farm out, sublet, transfer, or sell or assign the business to others.

IV. In case there shall be at this time any post-trader who is a non-resident of the post to which he has been appointed, he will be allowed ninety days from the receipt hereof at his station to comply with this circular or vacate his appointment.

V. Post-commanders are hereby directed to report to the War Department any failure on the part of traders to fulfill the requirements of this circular.

VI. The provisions of the circular from the Adjutant's-General's office of June 7th, 1871, will continue in force except as herein modified.

By order of the Secretary of War.

E. D. TOWNSEND,
Adjutant-General.

It will be seen, as stated by my learned associate [Mr. MCMAHON] during the trial that this order entirely fails to correct the real evil, that is, the payment by Evans to Marsh of $12,000 a year as consideration for receiving the appointment and retaining the post. It is true it professes to vest in the council of administration the power to examine the post-trader's prices, which the Judge-Advocate had just informed him he had no power to do, and to determine the prices at which the trader should sell, which should be fair and reasonable, considering not only the cost and freight, but the fact that the trader had no lien on the soldiers' pay as sutlers had, and then adds:

THE ORDERS OF BELKNAP CONNIVE AT EXTORTION.

Should the post-trader feel himself aggrieved by the action of the council of administration he may appeal therefrom to the War Department!

How Marsh and Evans must have been gratified when they saw this order. The only effect it had on their arrangement was to reduce the amount to be paid from $12,000 to $6,000 per year, of which reduction, as well as the agreement with Evans, Marsh testifies he informed the defendant within a month after the *Tribune* article—the first time he saw him after, which was in New York—and the Secretary then informed him Hazen inspired that article, but made no inquiry as to the terms of the contract with Evans or as to why the amount had been reduced from twelve to six thousand dollars.

A part of the evidence of General McDowell is very pertinent in this connection, and I ask leave to call attention to it. It is as follows:

Question. (By Mr. CARPENTER.) I ask you, general, whether on reflection and after looking at that article you think you were or were not mistaken in saying that you supposed that Marsh was the post-trader at the time you had your interview with the Secretary of War?

Answer. I can hardly say what particular relations Marsh or Evans had with this matter. The Secretary told me he had appointed Marsh, and I supposed he had re-

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ceived the office. Whether he had transferred it, or assigned it, or sublet it, or farmed it out, or what relations he had with it was not, in my mind, a very special question. What I wanted to do was to correct an abuse; but whether the form was that Marsh was the trader or the other man was the trader was not so much in my mind as to discuss the question that was then up.

Q. Was it of any importance whether Marsh was the trader and Evans his agent, or the reverse?

Mr. Manager McMAHON. O, you do not insist on that question.

Mr. CARPENTER. If not I should not have asked it. (To the witness.) What I mean is, would it have made any difference with the order which you were to draw if you had known the fact to be exactly the reverse? Would not this order as you drew it have covered the abuse in the one case just as well as the other? That is the question.

Mr. Manager McMAHON. We withdraw the objection.

The WITNESS (to Mr. Carpenter). I do not understand you.

Q. (By Mr. CARPENTER.) The question is this; Suppose you had known that Evans was the trader and lived at Fort Sill, and that Marsh was not the trader, would you have drawn this order in any different terms than you did employ?

Mr. Manager HOAR. Do you mean to suppose in your question that Marsh received any sum of money from Evans?

Mr. CARPENTER. If that occurs to me I will put it in my question. It had not occurred yet as part of my question.

The WITNESS. If the case was otherwise, it would have been different, of course.

Q. (By Mr. CARPENTER.) How different would it have been? Suppose you had thought at the time that Mr. Marsh was the trader and lived in New York, what order would you have drawn different from this?

THE FAILURE OF THE ORDERS.

A. That is what I supposed was the case, that Mr. Marsh was the trader living in New York substantially, whether in form or not, and he had the control of the place as evidenced by the fact of his receiving this large tribute.

Q. As you supposed?

A. As was true, and seemed to be understood.

Q. Suppose the case had been exactly the reverse, and you supposed that Mr. Evans had control of it and was the trader, and not Marsh; would your order have been drawn any differently.

A. *I do not know; if the man was residing at the post, I do not think it would have suggested itself to my mind to say he should go there.*

Q. That is one thing; now let me call your attention to the first part of this order, to see if that is not the material part of it after all; please read the first clause of the order?

A. It is—

"I.—The counsel of administration at a post where there is a post-trader will from time to time examine the post-trader's goods and invoices or bills of sale; and will, subject to the approval of the post-commander, establish the rates and prices (which should be fair and reasonable) at which the goods shall be sold. A copy of the list thus established will be kept posted in the trader's store. Should the post-trader feel himself aggrieved by the action of the council of administration, he may appeal therefrom through the post-commander to the War Department."

Q. Now I want to know why that order would not have corrected the abuse there without regard to whether the trader lived at the post or not, if the order had been executed by that council?

A. Very likely it might have done so.

Q. Would it not have done so?

A. I do not know.

Q. Can you conceive how it could fail to do it?

A. Yes; because it has failed.

Re-examined by Mr. Manager McMAHON:

Q. Did I understand you to say that General Belknap told you he had appointed Marsh?

A. He told me that he had offered the place to Marsh; I think he said he had offered it or had appointed him, and he told me why, under what circumstances.

Q. What were those circumstances; what circumstances did he tell you?

A. It was something bearing on the relations between Mr. Marsh and his wife.

Q. Friendly relations between them?

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A. Relations of kindness while she was sick.

Q. Do you remember the time that she was sick?

A. I do not.

Q. In this interview between you and General Belknap, did he make any allusion, or did you, to the fact that Evans was paying Marsh $12,000, as stated in that *Tribune* article?

A. I made it in the beginning of my conversation with him.

Q. What did the general say in answer?

A. I cannot recollect that he said anything in answer to that, further than to ask me to draw up such an order as would correct the abuse which I had stated to him, that complained of.

Q. Did he request you then to draw up an order to correct the payment by Evans to Marsh of $12,000 a year?

A. No, sir.

What has become of the debt of gratitude to Mrs. Marsh for her kindness to Mrs. Belknap in her illness? The natural expression of obligation would have been to her. Marsh was about his business and at his store. Suppose, Senators, that the defendant had told General McDowell the truth, as he now claims it and as is abundantly established by the evidence—suppose he had said, "General, I promised the place to Marsh, who had no support, in consideration of his kindness to my wife when ill at his house in September, 1870? At the request of Marsh I appointed Evans, which Marsh stated would be more convenient to him at present. Evans has paid Marsh $12,000 per year, as stated in the *Tribune* article. One-half of that sum Marsh has sent to me quarterly in advance: the first $1,500 for my wife, the next two payments of $1,500 each for my child, and since the decease of the child the like quarterly payments have been made to me for my own use and I have received and used the money, 'asking no questions for conscience' sake.'" If he had said this, does any Senator or any one who hears me suppose that General McDowell would have drawn the order of March 25? On the contrary, he would have fled from the War Department as from a pestilence, knowing that his kind offices would no longer be of any avail to the defendant. But the defendant concealed the truth, and, as I have already said, allowed General McDowell to act upon a mistaken theory, and that is the reason why the order made, and which it was supposed would correct the evil, in no manner reached it except to work the reduction from twelve to six thousand dollars. The order did not in fact accomplish that. It was the alarm created by the *Tribune* exposure and the fear that if twelve thousand continued to be exacted from the soldiers it would inevitably lead to an investigation and would develop the monstrous iniquity and fraud with which the whole scheme leading to the appointment of Evans was tainted,

EVIDENCE OF GEN. HAZEN.

Senators, in this connection I will call your attention for a moment to the evidence of General Hazen. He appears to have been an earnest supporter of the policy of the law of 1866 or 1867, which made provision that soldiers should be supplied with goods at cost. He estimates that it would have been a saving of two millions annually. Having command at Fort Sill and learning the complaints there about Evans, he wrote the facts upon which the article in the *Tribune* was based. He was summoned and appeared before a committee of the House and gave his testimony. Although that evidence has been excluded on this trial, it is evident the defendant knew what it was. He also knew, for he complained of the fact, that Hazen inspired the article in the *Tribune*. Yet the defendant never made any inquiry of Mr. Smalley, the correspondent here who wrote the article, or of Whitelaw Reid who published it. He asked General Grierson for a report which he received before the order of the 25th of March, and upon which, as I have stated, no official action was ever taken. The letters of General Hazen, written since to the defendant and to Mr, Clymer, are put in evidence to destroy his credit. I submit, Senators, that the letter to the defendant, written at his request after the Secretary had seen Hazen and frowned upon him as a military superior, so far from detracting from the credit due to General Hazen, strongly supports him for his sincerity and his subordination to superior authority. Even General Grierson, as Senators will remember, states in his answer of the 28th of February, 1872:

I have repeatedly urged them, Evans & Co., to represent this matter in writing to me, in order that I might lay the matter before the proper authority to relieve the command of this burden, upon whom it evidently falls; but they declined to do so, *stating that they feared their permit to trade would be taken from them.*

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As the prices could not be regulated by a council of administration, the trader not being a sutler, it has been contemplated by some of the officers of the garrison to represent this matter, without reference to J. S. Evans, through the proper military channels, but as it was claimed that the authority for the tradership emanated from the Secretary of War *it was feared that that course might be construed as taking exception to the action of superior authority.*

AFRAID TO ACT.

Here is the same fear of superior authority expressed and exhibited by Hazen. A great and insufferable evil could not be even reported to the Secretary of War through military channels without fear that the course might be construed as taking exception to the action of superior authority; a very delicate hint by General Grierson, as the request of the Secretary gave him the opportunity to make it, that the Secretary probably knew all about the matter and it had received his sanction.

Why, I repeat again, Senators, did the defendant pass by this most important letter and the terrible disclosures it contained without action and without any instructions to General Grierson to correct the evil? There is, there can be no other answer than the one disclosed by the case, that he had appointed Evans at Marsh's request and for his benefit, as an act of kindness to him, and that Marsh was remitting to him quarterly one-half of the $12,000 he received from Evans.

WHAT MARSH DID WITH THE MONEY.

Mr. Marsh states that he was accustomed when he received a remittance from Evans under the contract of the 8th of October, 1870, to write the defendant in substance, "I have a remittance for you from the S. W.; how shall I send it?' He states that in answer thereto he received instruction by mail to send by express or by certificate of deposit or to purchase a government bond, or to hold the money to be paid personally, and in one instance to be paid to the wife of the defendant. The defendant admitted the receipt by an "O. K.," and his letters as received were destroyed by Marsh. In one or the other of these modes Marsh states he remitted and paid to the defendant one-half of all the money he received from Evans. We show by Evans and Fisher that $3,000 was sent by them to Marsh quarterly up to February, 1872, and semi-annually afterward down to the fall of 1875, including an advance to February, 1876. Their accounts are brought to confirm the correctness of their statements. Marsh states that he deposited the money in the National Bank of Commerce, New York, and checked it out for the purpose of paying the defendant. We show by the books of that bank and the evidence of the assistant cashier, Mr. King, that Marsh made deposits corresponding generally with the remittances of Evans, and drew checks corresponding generally with the payments to the defendant.

The witness identifies four certificates of deposit. One for $1,500, dated November 10, 1871, is endorsed by Marsh to the defendant, and by the defendant to C. F. Emery, by whom we prove he loaned the money at the request of the defendant in Iowa upon a note and mortgage having three years to run; that the loan has been renewed for three years more, and the interest notes on the renewal are made payable to the defendant's present wife, but the original mortgage and note are in the defendants' name. Since Marsh has testified that the defendant's present wife was never to have any interest in this money, and that all which was sent after the death of the defendant's child in 1871 was for the defendant's use, we do not regard this change in the interest notes as of any importance. Another certificate for $1,500, dated January 18, 1872, endorsed by Marsh to the defendant. This we trace by the evidence of Mr. William H. Barnard, the clerk of the receiver of the First National Bank of Washington, and, by a deposit ticket in the handwriting of the defendant, into his private account in that bank on the 29th of January, 1872, and Mr. Barnard identifies the last-named certificate as being part of such deposit and as having passed through the bank, as the indorsement upon it shows. The other two are certificates dated October 9, 1874, one for seven and the other for eight hundred dollars, both indorsed by Marsh to the defendant, and by him indorsed to other parties.

MONEY TRACED TO BELKNAP.

We also show by the officers of the Adams Express Company the receipt of money packages by express to the defendant from Marsh and from R. G. Carey & Co. the firm of Mr. Marsh, in whose name he states some of the later remittances were

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made, as follows: November 1, 1870, $1,500, receipted by defendant in person; January 17, 1871, $1,500, receipted by the defendant; April 17, 1871, $1,500, receipted by the defendant; November 4, 1873, $1,500, delivered to Mr. Crosby for the defendant; April 10, 1874, $1,500, from Carey & Co., receipted by Barnard for the defendant; May 24, 1875, $1,500, from Carey & Co., receipted by Crosby; November 8, 1875, $500, from Carey & Co., receipted by defendant. We prove by Crosby & Barnard that they were clerks in the defendant's office, and authorized to receive and receipt packages for him. Mr. Marsh states that he paid the last half of $1,500 to the present wife of the defendant by his direction at the Saint James Hotel, in New York, in November or December, 1875. We show the defendant to have been in New York at several times when payments were coming from Evans, and Marsh states that excep, as he sent by express. or certificate of deposit, or the purchase of a Government bond, he paid the defendant personally and generally in New York.

I should weary the patience of the Senate if I pursued this inquiry in detail any further. The evidence of these quarterly payments down to February, 1872, and of the half-yearly payments from that time down to November, 1875, is so full and complete as to leave no room for doubt on the subject, and Marsh is so completely confirmed by the evidence as to leave no question as to his being entitled to credit for all he does remember. He is not a willing, but, on the contrary, a reluctant witness. We show by Mr. CLYMER that in the general statement he prepared he failed directly to implicate the defendant. It was only by direct questions that the facts were drawn out. The case discloses he was anxious to so adjust matters as to save exposure. His letter to the committee before the examination, which was read to the defendant, discloses that fact. When pressed, he said:

"If I swear I shall tell the truth, and that will ruin Secretary Belknap."

When, therefore, the witness Marsh gives it as his best recollection, he conversed with the defendant on the evening of his wife's funeral, and was directed by him about sending the money, we submit he is entitled to belief, although his memory is vague on the subject. The subsequent acts of the parties fully confirm him in such statement.

BELKNAP KNEW THE SOURCE OF THE MONEY.

When asked by us whether the defendant knew from what source this money came, the witness Marsh answered:

"I should say that I presume he did."

Standing by itself this would not be a very satisfactory item of evidence, but the Senator from Wisconsin [Mr. HOWE] and the Senator from Iowa [Mr. WRIGHT] addressed to him the following questions, and the answer of Marsh, especially to the last question, throws a flood of light upon this case:

Mr. HOWE. If the court has not closed its case, I should like to have the question answered which I send to the Chair.

The PRESIDENT *pro tempore*. The question of the Senator from Wisconsin will be read.

The Chief Clerk read as follows:

Q. Was the money which you sent to General Belknap designed for his use or for the use of some other person?

A. I sent it to him originally according to what I have heretofore stated occurred on the night of the funeral. It may be presumed that it was sent for the child, but I continued sending it after the child's death to the general, and I always presumed it was for him.

MI. WRIGHT. I have a question I wish to propound, and I will read it in the first instance, as it is not very legible.

Q. You said on yesterday that you presumed that General Belknap knew from whom the money sent him was received, Now state what led you to so presume, or upon what you based this presumption.

Mr. CARPENTER. We object to this question. Let it be read again.

The PRESIDENT *pro tempore*. The question will be read by the Secretary.

The Chief Clerk read the interrogatory of Mr. WRIGHT.

The question being put, was decided in the affirmative.

The PRESIDENT *pro tempore*. The witness will answer the question.

The WITNESS. I said I presumed he knew where it came from.

Mr. CARPENTER. Now, it appears there was a mistake, as I thought. The question does not correctly state the case to the witness. The question and answer yesterday were exactly this:

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"Q. Did General Belknap at this time know where the money was coming from that was being paid to him?

"I should say that I presume he did."

The PRESIDENT *pro tempore*. The question will be answered. It will be read again to witness.

The Chief Clerk again read the question of Mr. Wright, as follows:

Q. You said on yesterday that you presumed that General Belknap knew from whom the money sent him was received. Now state what led you to so presume, or upon what you based this presumption.

Mr. Manager MCMAHON. Before the question is answered, there is a misunderstanding as to what the real meaning of the answer given yesterday is. Our object in putting the question was to ascertain whether Belknap knew where the money was coming from, not the person, not the man from whom it came, but the place.

Mr. WRIGHT. This question covers the whole ground.

Mr. Manager MCMAHON. Go on.

The WITNESS. *I presume that he knew, because he had appointed Mr. Evans to this post at my request. I had no other business transactions with General Belknap whatever, except sending this money. I had sometimes forwarded him requests of Mr. Evans sent to me for certain privileges wanted around the fort. I cannot give details particularly. It is a kind of general knowledge arising from our relations together.*

There is equal force and pertinacity in the two questions propounded to the witness by the Senator from Indiana [Mr. Morton] and the answers of Marsh to the same:

Mr. Morton. I submit the following interrogatory:

Q. Did General Belknap personally or through any person or by letter ever inquire of you why this money was sent, and did you in any way ever assign a reason to him for it?

A. Never to my best recollection.

Mr. Morton. I propose the following question:

Q. How often after the first money was sent to Belknap and before your examination before the committee of the House did you meet General Belknap, and was the money ever referred to in conversation at any of these interviews?

A. For the first two or three years, I saw him perhaps two or three times a year. The first money I sent General Belknap must have been in the spring of 1871. I suppose probably through that year and 1872 and 1873 I met him two or three times a year; but I have no recollection of the money having been referred to in any conversation between us.

NO ESCAPE FOR BELKNAP.

Why this reticence? Legitimate business transactions would have been the subject of conversation without doubt. The only occasion when the defendant broke silence was the next time he met Marsh after the *Tribune* article. He asked Marsh if he had a contract with Evans, and Marsh replied he had. Marsh asked him who inspired or wrote that article, and the defendant said General Hazen. Marsh then told him he had reduced the amount from $12,000 to $6,000, and the defendant said nothing. Could the receipt of money after that have been innocent, especially when only half as much was sent as before, or half of six instead of twelve thousand dollars per year?

Senators, there is no escape for the defendant upon the question of his guilty knowledge as to the source from which this money came.

He made no inquiry of General Hazen, or Mr. Smalley, or Mr. Reid, as to the *Tribune* article. He took no notice of the grave charges made by General Grierson in his letter of the 28th February, 1872, for which, as I have said, any disinterested and upright officer would have removed Evans on the spot. He disregarded General Grierson's recommendation to have three post-traders and competition. He overlooked and covered over with pretenses clearly false the charges made against Evans in the fall of 1871. He kept Evans in place with full knowledge he was paying this large bonus to Marsh and taking it out of the soldiers in exorbitant prices, because he was securing to his own use one-half of all that Evans paid to Marsh. A more flagrant case of a breach of official duty was never presented for the consideration of any tribunal.

There is a maxim of the law that when the circumstances of a case are fairly calculated to put a question of ordinary care and prudence upon inquiry, and he omits to investigate, he is presumed to know the real facts, and is chargeable the same as though he made inquiry and ascertained the truth. In criminal cases the rule is that when the evidence, fairly construed, creates a presumption against the defendant, which, if

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innocent, he could explain, and he fails to give the explanation, the presumption is thereby increased.

$21,000 FOR BELKNAP.

This august tribunal can never decide, and with great confidence I submit that no member of the court, in view of the facts of the case, can find any ground in the case for an intelligent opinion that the defendant for a period of over five years could be the recipient of over $21,000, in instalments of $1,500 each at regular intervals, without any business transactions with Marsh, or any relations except those disclosed by the letter of the 8th of October, 1870, and yet be ignorant of the source from which the money came, or the motives and purposes with which it was sent. The receipt and use of the money from time to time without inquiry as to why it was paid *implies guilty knowledge*, and no man of the intelligence of the defendant can escape the imputation.

If such receipt, by an officer making an appointment from the person at whose request it was made, for so long a period, as this case discloses, does not constitute official corruption, by what name in the law of official rectitude shall it be designated? For how long a period must they continue before ripening into official crime and turpitude? The defendant assumes that the receipt of a single present without some excuse, by which it could be interpreted as having been made for some other purpose than for a purpose to award official favors, would constitute such a crime. Hence the weak excuse set up in this case, that Mrs. Belknap was placed under lasting obligations to Marsh for his kindness to her. If Marsh had sent a single present of $1,500 to Mrs. Belknap with an explanation of the motive which prompted him to make it, even if sent through the hands of the defendant, he might be held innocent of wrong. But the money was sent without explanation, except as Marsh states he wrote:

I have a remittance for you from the S. W. How shall I send it?

Thereupon he received his instructions.

One Senator [Mr. DAWES] asked Marsh the following question:

Mr. DAWES. I wish to put a question which I desire to have answered.

The PRESIDENT *pro tempore*. The Senator from Massachusetts submits an interrogatory, which will be read.

The Chief Clerk read as follows:

Q. Did you or any other person to your knowledge ever explain to General Belknap what "Southwest" means in your letters informing him that you had a remittance for him? If so, state the explanation.

A. Never, to my knowledge.

The Senator from Illinois [Mr. LOGAN] then propounded the following question:

Q. From the conversation with the present Mrs. Belknap, mentioned by you in your answer to my former interrogatory, you spoke of an understanding with the former Mrs. Belknap, now deceased. Please state what that understanding was?

The WITNESS. I think not.

Mr. CONKLING. What does the witness mean when he says he thinks not?

The WITNESS. I do not think I stated that I had an understanding with Mrs. Belknap.

Q. (By Mr. CARPENTER.) As I understand, the first money that you sent was sent to the former Mrs. Belknap, now deceased?

A. Yes, sir.

Q. And that was sent without any arrangement between you and anybody?

A. Yes, sir.

Q. A clean, clear present?

A. Yes, sir.

Mr. LOGAN. The witness spoke of a conversation about the child; that the money would now go to the child according to some former understanding.

The WITNESS. *I said with General Belknap, not with Mrs. Belknap.* I said that I was under the impression at one time that I had said something to General Belknap himself the night of the funeral; that I certainly had an understanding with him or with Mrs. Bower, because Mrs. Belknap was then dead.

Q. (By Mr. Manager MCMAHON.) Had the present wife of General Belknap at any time any interest in the money that was sent to General Belknap by you?

A. Not to my knowledge.

AN ARRANGEMENT BETWEEN MARSH AND BELKNAP.

It is very evident from this answer of Marsh that he had an arrangement or understanding with General Belknap about the remittance of this money from time to time. In those cases where the money was paid in person what does the evidence disclose? The Senator from Maryland [Mr. WHYTE] asked Marsh this question:

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Mr. WHYTE submitted the following question in writing:

Q. When you paid to General Belknap money in person did you have any conversation with him about the source whence the money came or in any way regarding it?

A. I did not.

At least $6,000 was thus paid by Marsh to the defendant after the death of his wife and child, and while he, as Marsh, says, was entitled to the money for his own use. No receipt was given, no account kept, no inquiry made, not a word said. Did not the parties understand the reason for the payment and the source from which the money came? This was after General Belknap had been informed of the contract between Evans and Marsh, and after the defendant had refused to interfere with Evans or appoint other post-traders as requested by General Grierson. The General did not even respond as when the money was sent by express or mail with an "O. K." This, I suppose, is one of the military ciphers used during the war by General Belknap. It certainly had a higher signification than that placed upon it by the ordinary Yankee, because it was used by a high official and dignified cabinet officer. Marsh was not asked, and it does not appear when the payments were made to the defendant personally whether he gave a wink or a nod or graciously smiled upon his benefactor. The probability is that after counting the money and ascertaining that the amount was correct he simply said "O. K."

Senators, suppose that during your six years' term men having bills pending before the Senate which it was in your power to pass or reject had been in the habit of sending you each $1,500 semi-annually, without a word of explanation, would you have been willing to accept and use the money, even though you learned it afforded the donors "pleasure to send it," and though they should protest in the language of respondent's counsel (Mr. CARPENTER) that each successive payment was a "clean, clear present."

I confess my amazement that distinguished counsel should suppose they can impose upon the credulity of any man a theory so absurd and so repugnant to a decent regard for official purity as this theory that these repeated payments by Marsh to Belknap were each and all "clean presents," involving no turpitude and no want of official integrity.

I have said that the letter of General Hazen written to the defendant at his request on the 12th of September last, after a personal interview between them, evinces that submission to superior authority which is shown by General Grierson in his letter of the 28th February, 1872.

HAZEN'S LETTER TO CLYMER.

The letter of General Hazen to Mr. Clymer, dated the 15th March last, which the defendant has been pleased to introduce, discloses how a faithful military officer can speak when the restraint of superior authority has been removed. I desire to call the attention of Senators to that letter. It is as follows:

CITY OF MEXICO, March 15.

DEAR SIR: The papers of the 4th instant brought me the result of the Belknap investigation. By referring to the proceedings of the House Military Committee of March, 1872, you will find precisely the same information given by me then as that upon which your investigation was founded. Mr. Smalley, the then clerk of that committee, published in the New York *Tribune* the purport of my evidence, which only referred to the black-mailing of the post-traders, and not to the final disposition of the money; but he added to it the presumptive disposition, which is now proved to have been true. The Secretary of War took the newspaper paragraph to the President, as he has since said, remarking: "Mr. President, have you seen the article in the New York *Tribune* of this morning referring to me?" To which the President replied: "I have, and do not believe a word of it." The Secretary then said: "If you do believe it I am no longer fit to hold a place in your Cabinet." This was the end of thematter both with the President and Congress, leaving it a question of veracity between the Secretary and myself.

I have waited patiently four years, never doubting I shall be finally vindicated, though at times feeling very heavily the weight of displeasure of those high in power for daring to tell the truth respecting the great outrage, upon the army. My object from the first was not only to relieve the army from this outrage, but to obtain the execution of a most excellent law passed in 1866, requiring the Commissary Department to furnish to enlisted men, at post, the articles usually furnished them by sutlers. This most admirable arrangement, which is virtually carried out in all other armies, would be worth to the enlisted men $2,000,000 annually, and cost nothing but a little extra

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work to the Commissary Department. This department has opposed this law from the first. In setting this law aside vitality and value were given to the post-traderships which could be done in no other way. The law itself has even been omitted from the Revised Statutes. To secure this most useful end was my only purpose. In the autumn of 1875 the Secretary visited my post, receiving my most cordial hospitality, which was fully accepted. I thought this a proper occasion for a renewal of our old and friendly relations, as we had served together in the war. I therefore wrote him a sincere letter looking to such a result, though I felt entitled to some reparation, having for four years experienced a full sense of the wrong inflicted upon me by the Secretary in his virtual denial to the President of my truthful report. The Secretary did not see fit to reply to my letter. I then concluded to let the matter rest, hoping only for the partial reparation that time gives all wrongs, when your letter in January, as chairman of one of the committees of Congress, called for the information furnished you. For your compliance with my request not to bring my name forward in connection with the investigation, I tender you my thanks, and now release you from further obligations in that respect.

Very respectfully, &c.,

W. B. HAZEN.

HON. HEISTER CLYMER.

GRANT BELIEVES HIM INNOCENT.

The learned counsel for the defendant (Mr. Carpenter) characterizes this letter as a slander upon the President. Far from it. The President did not believe the Secretary guilty. He still retained the confidence which led to his selection. And the defendant is reported as saying to the President:

If you do believe it, I am no longer fit to hold a place in your Cabinet.

Suppose the defendant had then said: "Mr. President, Mr. Marsh has been sending to me one-half of all he has received from Evans, without a word of explanation, and I have received it without any inquiry, regarding the remittances as 'clean presents.' The amount already is $9,000." How long, Senators, do you think the defendant would have remained in the cabinet? He would have been saved the mortifying example of retreating before the charges when proved and of laying down his commission while the question of his guilt was under investigation. This act, as we claim under the circumstances proved here, is tantamount to a confession of guilt, was so considered at the time by the whole country, and must be so interpreted by every Senator on this floor.

But the defendant, according to the reasoning of his counsel, is entitled to great credit for the manner in which he treated the letter of Captain Robinson, written on the 2d of April, 1875. I ask leave to refer to it. It appears to have been filed, but when the Adjutant-General could not state. He did not receive it until the 3d of March last.

CAPTAIN ROBINSON'S LETTER.

(Personal.)

SAINT LOUIS BARRACKS, Missouri, April 2d, 1876.

SIR: I have the honor to inform you that I am now preparing a set of charges against the firm of J. S. Evans & Co., post-traders at the post of Fort Sill, Idaho Territory. I have been stationed at that post since its first location in 1868. Among the many charges I am preferring against this firm is one of malicious slander, in which both members of this firm have repeatedly stated, not only to myself but to Brevet Major-General Hazen, Brevet Major-General Grierson, and many others of the officers of the Sixth Infantry and Tenth Cavalry, that they were paying you at one time $15,000 per year, at another date $12,000 per year, $1,000 per month in advance, and only a short time ago Mr. J. J. Fisher stated in my quarters at this post that he was still paying you the same amount. He also informed General Grierson at the same date at this post of what he termed "these facts." I was, while at the post of Fort Sill, Idaho Territory, on the post council of administration many times as its "recorder." The repeated statements of both J. S. Evans and J. J. Fisher to the fact that they could not sell their goods any cheaper to the men and officers of the United States army because they were obliged to pay to the Secretary of War $15,000 per year, monthly in advance, I took down carefully with day and date and the names of the officers present who heard these statements made. They were made before me officially as the recorder of the post council of administration.

I have thought that you, sir, should know these facts before I brought them to your official notice by sending the charges to you through all of the official chan-

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nels, and to ask your advice as to the best and most expeditious manner of bringing these men to justice. Every man and officer of these regiments have been most outrageously swindled by this firm, as I have abundant testimony to prove. If I leave the army by sentence of the general court-martial that has just tried me, it is by getting into unavoidable debt to these men, who, after getting all the money I had, now seek to ruin me, knowing that I alone am in possession of all the facts in the case against them. I honestly believe that these slanders on your name and action are false, and shall bring this firm to speedy justice, whether I am in or out of the army, and ask of you, sir, your advice as to my procedure before action. Should I remain in the army, I shall, if you desire, transmit all of the documents entire to you for your information and such action as you may see fit to take. I will either act as prosecutor or witness, as you may elect. Many of my notes are at my home in Baltimore, some of them here; but I have enough to draw charges on here, which I am now doing. Several newspaper men have made me very alluring offers for these papers, but I prefer to take the course I am now doing, so as to get officially all the facts on record before a court of justice against these men.

I am, general, your obedient servant,

GEO. T. ROBINSON,
Captain Tenth Cavalry.

Hon. W.W. BELKNAP,
Secretary of War.

FRIENDSHIP ILLY REWARDED.

This letter was written at St. Louis on the 2d of April. When it was received does not appear. The adjutant-general states that when the defendant showed him this letter he remarked to the defendant that it looked like an effort at blackmail, that the Ssecretary then asked for the proceedings of the court-martial, and on the 14th of April, 1875, the defendant wrote upon them "approved by the President," and Robinson faded out under the action of superior authority, with this sentence upon him.

Q. (By Mr. CARPENTER.) Now, what was the judgment?

A. The sentence was, "to be cashiered and forfeit to the United States all pay and allowances now due or to become due, and to have his crime, name, place of abode and punishment published in and about Philadelphia, Pennsylvania, and St. Louis, Missouri." The sentence is "approved."

So Robinson was disabled and disposed of and no notice was taken of the extraordinary developments of this letter. Suppose the defendant had then informed General Townsend that for four years he had been receiving as "clean presents" one-half of all that Evans had paid Marsh, that it was a mistake that Evans had paid the whole sum to him, is it probable he would have remained in the war office another year?

If, when the defendant was approached by Marsh or Evans, or both, with the intimation that he or his family could share in the sums to be paid by Evans to Marsh, in the language of the agreement, in consideration of his being appointed post-trader at Fort Sill, the defendant had shown Roman firmness, and had said to them—

> Shall we contaminate our fingers with base bribes,
> Or sell the share of our large honors
> For so much trash as may be grasped thus—

this spectacle would have been spared to him and to us, and the country would have escaped a great scandal. But, as I have endeavored to show, he determined otherwise and basely betrayed the confidence reposed in him.

ARGUMENT OF HON. JEREMIAH S. BLACK IN BEHALF OF BELKNAP.

* * * * * * * * * * *

Now, I aver that it is not wrong in any criminal sense for an officer to receive a present. There is no law which forbids it. More than that, there is no custom or habit or sentiment among the public officers of this day which condemns it or makes it disreputable. The state of the public conscience in this country does not call for the enactment of any law to prohibit it. I was a member of the Pennsylvania convention to reform the constitution of that State. I tried my best, and so did others of greater influence and more ability than mine, to get inserted into the organic law a definition of bribery which would include presents of any kind, given under any pretense whatever, so that no officer could ever, without violating his oath and exposing himself to the danger of a prosecution which would send him to the penitentiary, receive money from anybody. But I found myself shooting at the stars. I was told

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that I was trying to make the officers of the Commonwealth righteous overmuch; that the mere receipt of money was of itself an innocent thing unless there was a corrupt contract or a corrupt intent, but when the corrupt intent did exist, it ought to be proved like any other fact which is necessary to make out of the guilt of the party. By this and other similar arguments a measure which I thought a very important one was thrown out.

I do not myself believe that presents are proper when taken by a public officer from a person who may by any possibility in the future have an interest in the officer's performance of his duties. I think so because, in the first place, "a gift blindeth the eye and perverteth the judgment of the righteous;" and also because, in the next place, these gifts may be used to cover essential bribery. I do not believe that the institutions of this country are perfectly safe in the hands of men who habitually receive presents from their friends and constituents or from anybody. But I say now that there is no law which makes it a crime or misdemeanor; and that is not all, there is no code of morals known to the public men of this age, or to the men who now hold office, which condemns it. If our fathers could have foreseen the fatal degeneracy of their sons, perhaps they might have made some provision to prevent it; but they inserted nothing to prohibit it either in their Constitution or in their statutes, and you cannot in your judicial capacity supply the *casus omissus*.

PRESENTS AS A BRIBE.

"I give you an office and you give me another office," or "I give you office and you give me money;" what of that? If the exchange was preceded by a contract which made one the consideration of the other, that is bribery and corruption, but if there was no contract of that kind, the case is otherwise; and so it has been held in the case of the greatest and wisest and best men we have ever had in this country.

There was a time in 1825 when Mr. Clay held in his hand the Presidency of the United States and could give it to whom he pleased. He handed it over to John Quincy Adams, against whom there was a large majority of the States and the people. He did it in opposition to instructions almost unanimous from his constituents, and in the face of his own recorded opinion that Mr. Adams was not a proper person to be Chief Magistrate of the country. The first thing that Mr. Adams did after he went into office was to appoint Mr. Clay Secretary of State. Did these two men bribe one another! They were charged with making merchandise of the highest offices under the Government. The defense which both of them made against the charge of bribery was precisely the same that we make here, namely, that no proof could be produced to show the previous existence of a corrupt contract or understanding which could have influenced their conduct; and the general public acquitted them on that ground alone.

Remember I do not hold up this transaction as an example of public virtue. I admire much more the high-toned behavior of Mr. Bayard twenty-five years earlier. He did not vote for Mr. Jefferson, but he had it in his power to protract the election in the House of Representatives so that Mr. Jefferson and Col. Burr would both of them have been defeated. For good and sufficient public reasons he determined that he would not use that power, but would retire from the contest and allow Mr. Jefferson's friends to elect him. After a few days, Mr. Adams, the then incumbent of the presidential chair, offered him the mission to France. He said: "No; I cannot get to my post of duty until Mr. Jefferson shall be inaugurated, and then he will have the power to recall me. I will not hold any office under him, as I would virtually be holding this office, lest it might be inferred that I had received a reward for my action in the presidential election."

The most distinguished man perhaps that this country ever produced—certainly the greatest orator—one who was gifted with the most exquisitely organized intellect that ever was bestowed upon any of the children of men—was appointed Secretary of State by General Taylor. He said that he could not live upon the salary in a way that would accord with his taste and habits, and he invited his friends to make presents to him, and they did contribute among them $100,000, which they invested, and gave him the interest of it for the remainder of his life. Was that bribery? It was given by merchants who were pleased with his advocacy of the bank, by manufacturers whose interests he had promoted by supporting a protective tariff, perhaps also by lovers of the Constitution who admired him for the noble defense he had made of its principles. But there was no evidence and no reason to believe, and nobody ever did believe, that it was given as a consideration for previous services or in pursuance of a contract for future services. Therefore, and therefore alone, he was held to be innocent.

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The manager from Massachusetts (Mr. HOAR) said, speaking of the Union Pacific Railroad, that every foot of that road had been founded in corruption and built with the wages of iniquity. That is true; and it is equally well known that the managers of that corrupt concern gave large amounts of their stock and bonds to the wife of a Senator who was afterwards elected Vice-President. The wife received it with the full consent of the husband. Though he had voted for the charter of the corporation and afterward voted to extend its privileges, and always vindicated it by his speeches on this floor, there was no proof that the speeches and votes were the consideration given for the bonds and the stock. The absence of that proof left him in the full possession of the character which he had earned by his previous life, his popularity moulted no feather, he lived respected and honored, and died in the odor of sanctity.

The members of the House of Representatives who received the same stock and bonds from the agents of the same company considered themselves as fully acquitted when the committee failed to find that there had been any corrupt contract, and such was the view of the House when for that reason it refused to pass a vote of censure.

If Mr. Lincoln had been impeached and evidence had been introduced against him, like the trash you have here, to show that his wife with or without his knowledge took a present from some contractor or some officer, who would have listened to it with patience? Mr. Lincoln could not have come into this court with a higher character than General Belknap. Judge Davis would have sworn for him that he was all his life-time scrupulously honest. The governor of his State, and any number of ex-governors, and the Senators in Congress would have testified to the same fact; but he could not. have had a character one whit better than that which is made out by General Belknap, and by the force of that character the accusation would have been swept away like chaff upon the summer thrashing-floor. Nobody would have thought of a conviction

GRANT, THE PRESENT-TAKER, AS GUILTY AS BELKNAP.

That the present Chief Magistrate has taken large gifts from his friends is a fact as well known as any other in the history of the country. He did it openly, without an attempt at concealment or denial. He not only received money and lands and houses and goods, amounting in the aggregate to an enormous sum, but he conformed the policy of his administration to the interests and wishes of the donors. Nay, he did more than that; he appointed the men who brought him these gifts to the highest offices which he could bestow in return. Does anybody assert that General Grant was guilty of an impeachable crime in taking these presents, even though the receipt of them was followed by official favors extended to the givers? Do we not all regard him still as one of the greatest heroes and sages the world has produced? Instead of being impeached and ignominiously removed from office, he was flattered and re elected. This all happens justly upon the legal principle which command you to presume everything in favor of innocence. General Grant's wealthy friends in New York gave him money not with any evil design upon his integrity, but because it was a pleasure to themselves; and the President appointed them to office afterwards not because they had bought his favor, but because he thought the public good required it. This is the just and legal conclusion in every case where there is no proof of a bargain and no distinct evidence of an intent to influence and be influenced corruptly. Is the law a respector of persons? Does uot a presumption which applies to the President in the plentitude of his power apply with equal force and even with stronger reasons to his fallen minister?

If the House of Representatives considered this subject coolly and came to deliberate conclusion that the reception of a gift by a public officer was either in itself a punishable crime or evidence of a crime, it was a sin and a shame to drag the Secretary of War before this tribunal after he became a private citizen, while they allowed the President to finish his career of wickedness without interruption. Were those gallant gentlemen afraid to take the Chief Magistrate by the throat, or did they suppose that the Senate would use one measure of justice for Grant and another for Belknap? No; they did no such injustice either to you or to themselves. They thought they could produce satisfactory evidence to show that the gift to Belknap was something more than a gift, that it was a bribe paid in pursuance of a contract or in consideration of official favors bestowed or promised. That is what they allege in the articles. But having utterly failed to prove it, they ought in honor and conscience to give up the case.

If the giving or receiving of presents is necessarily and in its own nature always criminal, and if the power to impeach for it survives the term of office, why have they overlooked the offense of Judge Hoar who gave the President a library of costly literature and law? They might prove that the giver of that present was afterward

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commissioned by the receiver as Attorney-General and nominated for Judge of the Supreme Court; and they might argue with some show of reason that these appointments being *post hoc* were also *propter hoc*. But the inference would have been false; for Judge Hoar in making the gift acted merely upon the impulses of a generous heart, and the President promoted him because he was the best man for the offices he put him in. Such being the natural and the legal presumption in that case, why should it not also be made in this case?

Another distinguished gentleman held the office of Attorney-General and was afterward by a kind of translation sent to the court of St. James, where he now resides as the American plenipotentiary. Before he got these high places he not only admitted but proclaimed that he had subscribed $20,000 to a fund for the benefit of the President. Who can prove that these acts were corrupt? Or who will dare to assert it without proof?

BUOYANT BY PUTREFACTION.

There is another class of cases, more extensive and more numerous than these, in which the law and public opinion indulges officers in giving and receiving money for their personal purposes. A high-placed gentleman wants to be continued in power and to that end a certain number of popular votes is required. He demands from his subordinates money enough to get the votes and he enforces the order by a distinct notification that whosoever refuses to contribute will be dismissed from his place. These very post-traders were forced to make enormous contributions in that way, and the aggregate sum thus raised for an important election amounts to many millions of dollars. Is this criminal? Certainly it is, if you adopt the principle of the managers that every voluntary payment by an officer to an officer is *ipso facto* a crime. Is it corrupt? I do not say so. But if you say that Belknap could not receive money from Marsh without being corrupt, then you condemn to utter infamy the system to which I refer. It pervades the whole executive administration. If it be corrupt, then all the officers of the Government are thriving by corruption alone. They can keep their places if they pay for them in this way; if not, not. By that dishonest means alone can they hope to gain promotion. A public man, to use the figure of Curran applied to a similar condition of things in another country, is like a dead body in a mill-pond; he lies quietly and obscurely at the bottom as long as there is any soundness in him; but his bulk expands with the gases which corruption evolves; "he becomes buoyant by putrefaction and rises as he rots." Surely it is not proper to say that this system is corrupt, seeing that all the great and good men now in the Executive Departments constantly practice it. Whether it is an evil that ought to be abolished or a virtue to be encouraged, is certainly a question on which there is some difference of opinion. What I assert is, that there is no law which forbids it, nor no rule of morality among public officers which condemns it. That being the case, is it not horrible to convict this party who has certainly done nothing worse?

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WHAT THE GOVERNMENT HAS LOST.

THOUSANDS OF BALES OF COTTON THAT WERE CAPTURED BY THE UNION ARMY AND STOLEN.

The Committee on Expenditures in the Treasury Department were directed by the House of Representatives at the last session to investigate the bureau of captured and abandoned property. From the testimony taken by the committee, the following statement of facts is culled.

At the close of the civil war a sweeping order was issued by the then Secretary of the Treasury, Mr. McCulloch, and a swarm of special agents in obedence thereto were sent South to seize all the cotton belonging to the so-called Confederate States of America. The Confederate Government had sold in London a class of securities known as Produce Loan Bonds. These bonds were based in large part upon cotton claimed to be owned by the Confederacy. For the management of this loan the Treasury Department of the Confederacy established what was called a Produce Loan Office of which one Archibal Roane was Chief.

Planters and other southern people who wanted to subscribe to this loan were allowed to pay for it in cotton and to bring up the price of the Produce Loan Bonds abroad, the Confederacy shipped this cotton by blockade runners to Liverpool

Upon the overthrow of the Confederacy, Archibald Roane, who had formerly been a Clerk in the Attorney General's Office under Caleb Cushing, returned to Washington. Mr. Roane testified that he was made chief of the Confederate Produce Loan Office, and had therefore, special knowledge of the cotton transactions of the Confederate Government. "Under the original organization of the Produce Loan Office there were subscriptions of all kinds of produce, cotton, wheat, tobacco, and everything grown by the planters in the South on these terms: That the Produce Loan Office was to sell the produce they subscribed and invest the proceeds in Confederate bonds. It was on that account that it was called the Produce Loan Office. Afterwards the scope of the office was enlarged by act of the Confederate Congress. Purchases of cotton were made under the direction of that office for the use of the Confederate Government, and very large amounts were purchased; I think four hundred thousand or five hundred thousand sales. Afterward the collection of the cotton and tobacco tithes was placed under it, and then the running of the cotton and tobacco through the blockade. In consequence of my special knowledge of these matters, I had lived here in Washington, and some months after the surrender of Gen. Joe Johnson; I think it was September, 1865, I returned to Washington where I had previously lived with my family."

John T. Pickett who was familiar with the internal workings of the Confederacy, testified as follows:

ACCURATE INFORMATION OFFERED.

"Question: State whether or not at the time you made the propositions to the Treasury Department to furnish information which would lead to the securing of all Confederate property, if you had the means at your command to ascertain, at the time, where the property was and what it was. Ans. One of the parties whom I

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consulted and coöperated with, was Mr. Archibald Roane who had been the chief of the Produce Loan of the Confederate States, and through whom all purchases of property had been made. He joined me in the application, and here is a copy of one of his letters to the Secretary of the Treasury at that time :

WASHINGTON CITY, July 27, 1865.

SIR :—In a letter from the Honorable S. A. Trenholm, Secretary of the Treasury of the late Confederate Government, transmitted to you by the Secretary of War, it was suggested that information could be obtained from me concerning the cotton and tobacco owned by the Government, a part of which remained on hand at the time of its dissolution. The purchases of cotton and tobacco were made under the direction of the Produce Loan Office, of which I had had charge and in compliance with the request made to me by the Treasury Department, I have the honor to respectfully enclose a copy of the only one known to exist of the last report rendered of the operations of that office, which it is believed will furnish in a compendious form, valuable information to be obtained from no other source. All the books, papers and records of the office were lost or destroyed at the time of the evacuation of Richmond, and by the merest accident I recently discovered among my papers, the original, written in pencil, of the report herewith transmitted. I am very respectfully, your obedient servant,

A. ROANE.

HON. HUGH MCCULLOUGH, SECRETARY OF TREASURY.

INDISCRIMINATE SEIZURES.

Q. Did you make any observations, or have any opportunity of getting information in reference to the manner in which the agents of the Government collected the cotton in the South. A. Any gentleman can conjecture as to that. I was in Richmond and New Orleans, and saw a good deal, and heard a good deal more. There were three kinds of seizures: The army seized it, and the Treasury could not release it because the army seized it: the navy seized it, and the Treasury would not release it because the navy seized it. The Treasury seized it and they did not release it, because they did not want to.

Q. Do you know whether or not the agents who were entrusted with the duty of seizing, captured and abandoned property, took special care to discriminate between private and Confederate cotton. A. I know they took special care not to; and I know cases where there was suborned testimony and the price of such testimony was fifty dollars. I know cases where cotton grown since the war, was seized and proved by that kind of testimony, to be Confederate cotton. I was employed in a case of the Planters' Factory cotton of Mobile, Alabama, which referred to over two hundred bales of first-class cotton seized by the Treasury Department. Planters' Factory was a corporation composed mainly of Northern men or perhaps wholly of union men. I and my partners were employed to obtain its release, and after a great deal of trouble we did obtain an order for its release. Two hundred bales were turned over to the planters' factory and the bales were opened, and instead of being first-class it was what is technically called "dog-tail," the sweepings of the factory not worth six cents a pound, while their cotton was worth sixty cents.

Q. I understand you to say that the Treasury agents in searching for property took all the cotton they could lay their hands on. A. That was their business. They went there for that purpose.

VERY LITTLE CONFEDERATE COTTON IN GEORGIA AND SOUTH CAROLINA.

Q. Have you in your possession a statement of Mr. Archibald Roane as to the amount of the Confederate cotton in the States of Georgia and South Carolina ? A. I have. This is the statement referred to, in Mr. Roane's handwriting:

"WASHINGTON, D. C., February 6, 1866.

"*Gentlemen :* In reply to your letter of the 5th inst., requesting information in order to protect the interests of certain of your clients, as to the quantity of cotton in the States of Georgia and South Carolina, belonging to the Treasury Department of the late Confederate Government at the time of its dissolution, it gives me pleasure to state that at the period referred to, there were not more than four thousand bales in Georgia, and probably seven thousand bales in South Carolina remaining on hand. The cotton originally purchased in these two States having been expended chiefly in shipping shipments through the blockade at Wilmington and

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Charleston. The cotton owned by other departments of the Government in the States named, was insignificant in amount, as I know of personal knowledge, from the fact that I was frequently called upon as chief of the Produce Loan Office, having in charge the Treasury purchases by the agents of the War and Navy Department, for loans and sales of cotton to meet their pressing exigencies. I am yours truly,

A. ROANE.

Along with Messrs. Pickett and Roane was associated a Mr. Coombs, of Bangor, Maine, in making the proposition, already referred to, to Secretary McCulloch, to furnish definite information to the Government of the United States, which would enable it to seize all the cotton belonging to the Confederate Government, and to make good the title to the same. The following is a copy of a proposition submitted to Secretary McCulloch by Mr. Coombs:

NOT MORE THAN 150,000 BALES BELONGED TO REBEL GOVERNMENT.

"WASHINGTON, July 27, 1865.

"SIR: Having been engaged during the past two months in collecting information relative to the purchase and sale of cotton, and the amount remaining on hand at the time of the dissolution of the late confederate government, I would state, as the result of my investigations, that—

"From data obtained from authentic sources, based principally upon the statements of the produce-loan office of the confederate government, under whose direction all the purchases of cotton were made, and from information obtained from William H. Warder, Esq., who was negotiating for some of said cotton previous to the fall of the confederacy, and from others, there was remaining on hand one hundred and fifty thousand bales of cotton, in the hands of the agents, or on the plantations where it had been purchased.

"The purchases of cotton were principally made from planters, and it was generally left on the plantations, the planters in such cases giving a written obligation to shelter, take care of and deliver the same on the order of the confederate government, free of all charges for storage or custody.

"The report of A. Roane, Esq., late chief of the said produce-loan office, a copy of which will be transmitted you, will exhibit the fact that at the date of his report, October 30, 1864, there was *conjectured* to be on hand about two hundred and fifty-nine thousand bales, classed therein as purchased cotton.

"Losses had occurred subsequent to the date of the report, reducing largely the quantity on hand, so that by the 1st of April last it could not greatly have exceeded 150,000 bales, exclusive of the 14,850 bales of tithe cotton, so-called.

50,000 BALES OF THIS ALL THAT COULD BE FOUND.

"This number of bales, since the breaking up of the confederate government, has again been reduced by the burning of a considerable amount, and the collection of a portion of it by the Treasury agents, while from the confusion consequent upon the said breaking up of that government, and the time that has elapsed since, interested parties have probably been able to carry off and fraudulently conceal considerable amounts, so that a fair estimate of that which may eventually be recovered to the use of the United States, other than what the regular Treasury agents can collect, can hardly be made, and it might reach as high as 50,000 bales, or less.

"The entire administration of the cotton purchases, sales and shipments, as well as the collection of the cotton and tobacco tithes, were placed under the charge and superintendence of the chief of the produce-loan office, to whom agents reported for instructions and orders, and where their returns were digested and recorded, and whose reports, therefore, furnished the only authentic statement of the operations of that government in the purchase and sale of cotton.

"I am informed that a considerable portion, and probably the larger part of this cotton, has been on hand for nearly three years, and that bale-rope and bagging having become rotten, the cotton will have to be rebaled before it will bear removal.

DELAY DANGEROUS.

"Any great delay in this matter will enable interested parties to remove and secrete a portion of this cotton now remaining on hand, rendering the collection more difficult, if not impossible.

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"Much of the cotton that has been wrongfully secreted may, no doubt, be found and recovered by making just compensation to the informer, and by a proper representation of the case to the local agents who have had it in charge.

"I have the means of procuring information in cases where payment for this cotton has not been made by the purchasing-agents, and I do not therefore propose to take a single bale that has not been purchased, paid for, owned, and in the hands of the local or other agents of the Confederate Government at the time of its collapse.

"The cotton purchasing agents, as well as the vendors of the cotton in the various States, may or may not be aware of the destruction of the books and papers of the Produce-Loan Office by the burning of Richmond, yet they are aware that Mr. Roane, as chief of that office, has a general knowledge and recollection of all its transactions in the various States, and they will, therefore, the more readily disclose the facts in each case, should he be associated with or sent there with me.

"It is manifest, I think, from the foregoing statement, that I have peculiar information, and facilities possessed by no other person who has applied for the collection of this cotton, (much of which will be lost if not speedily looked after,) and by timely exertion I believe that several millions may be saved to the Treasury, which would otherwise go to enrich those who have no legal or equitable claim to it. I would, therefore, propose that, either by contract or by appointment, or as you shall see fit, I may be placed in charge of the collection of this cotton left with the planters and local agents, wherever the Treasury agents have not been able to obtain or know nothing of it, and that you give me such instructions for my guidance, and empower me to procure the necessary assistance and information and to pay for the same, and to receive such compensation for my services, by contract or otherwise, as may be deemed to the last interests of the parties concerned.

"Very respectfully,

"W. COOMBS.

"Hon. HUGH MCCULLOCH,

"*Secretary of the Treasury, Washington, D. C.*"

THE COTTON RING DID NOT WANT DEFINITE INFORMATION.

Instead of accepting this proposition, the Secretary of the Treasury made a contract with Hughes, Denver and Peck, attorneys in Washington, to collect Confederate property, and defend the right of the United States to the same. No attention was paid to the propositions of Roane or Coombs by Secretary McCullough, but the whole matter was turned over to W. E. Chandler, Assistant Secretary of the Treasury, now Secretary of the Republican National Executive Committee. Chandler made the arrangement above alluded to with Messrs. Hughes, Denver and Peck, and Mr. Hughes, of this firm, immediately employed Mr. Roane, and agreed to give him a commission on all the property belonging to the Confederacy which they could discover, and make good the title to the same for the United States.

The next step in this business was to establish in the Treasury Department the Bureau of Captured and Abandoned Property, and at the head of it Chandler placed men of his own selection. Cotton was then indiscriminately seized all over the South by special agents of the Treasury Department, and by the army and navy, and was collected and shipped from different Southern ports to New York and elsewhere and sold. The amount realized from this captured cotton and covered into the Treasury was claimed in the Finance Report of 1875, to be $20,910,656.44, but the accuracy of this statement is denied by Albert L. Munson of New York City, who was employed in the Treasury Department in 1866, and had charge of the accounts of the various special agents of the Treasury Department engaged in collecting captured and abandoned property. He testified that he prepared a detailed statement in obedience to the order of Mr. Chandler, Assistant Secretary, showing the transactions of every agent; that he was in the neighborhood of thirty days preparing it, having the assistance of from twenty to thirty-five clerks. During the time of the preparation of this document, he was called into the Secretary's office and asked by Mr. McCullough what amount he could make it show as a profit to the Government, to which he replied he could not tell; that Mr. McCullough said he must make it show twenty-five millions.

LARGE DISCREPANCIES IN ACCOUNTS.

Q. Were you able to accomplish the result they desired? A. The net re-

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sult of the cash portion of the statement shows $24,742,022.55, of which nearly $6,500,000 was in coin, so that it did go over that amount. It was intended to be an accurate record of every transaction.

Q. When the document was printed, were any important matters left out? A. I never saw a printed copy until a year ago; I discovered it was a summary.

Again, Mr. Oliver S. Lovell who was chief clerk of Mr. Wm. P. Mellen, one of the principal agents for the Treasury Department for the collection and disposition of captured and abandoned property, testified in regard to this discrepancy between the amounts claimed in the Finance Report of 1875 to have been covered in the treasury as the result of the proceeds of captured and abandoned property and the amount actually realized therefrom.

Q. Have you any means of knowing how much of the money thus paid into the Treasury is still there? A. There is an article that will tell all that I can tell on that subject. That I made up from lead pencil notes that I had already made at the request of Secretary Boutwell, to find how much of that fund was left. Mr. Hale referred the request to me.

Q. Mr. Hale who was then acting as the special counsel of the Government? A. Yes, sir; I remarked to him that that inquiry ought to be addressed to the counting-room, as they had the books and data to go by, and he said that it was nott what he wanted, they knew that I knew all about the thing, and it was wanted in a very short time, so I made up a short statement of it.

Q. At what date?—A. That must have been in 1869. Then, when I began to practice law here in 1870, there was an amendment to the deficiency bill, calculated to cut off the claimant's remedy in the Court of Claims; and statements had been made in the Senate, that, if all the claims were allowed, there would be a large deficit of the captured and abandoned property fund, involving the United States in liability for large amounts of money. I then took my lead-pencil notes, upon which, however, I could not lay my hands when coming to this committee-room; and this statement shows that, after all claims pending before the Court of Claims were paid, there would be a balance left to the Government of $10,364,672.61. This statement was made out on the 4th of April, 1872.

Q. Is this a correct statement made by you at that time at the request of Secretary Boutwell?—A. Yes, sir; I would have made that statement under oath if it had become necessary. I made it out at the request of Secretary Boutwell.

THE STATEMENT.

"By the report of the Secretary of the Treasury, May 11, 1868, Executive Document No. 56, Senate, second session, Fortieth Congress, page 53, the total amount of proceeds of sales of captured and abandoned property covered into the treasury will be found to be $25,257,931.62

To this can be added sales of the quartermaster of the Department of the Gulf, New Orleans, A. B. Holabird, (see Executive Document No. 97, House of Representatives, Thirty-ninth Congress, second session, page 39), which amounts to 835,429.34

or a total receipt from this source $26,092,460.96

and this balance remains after the Secretary of the Treasury has paid out of the fund on an *ex parte* showing $2,210,476.96. (See Executive Document, House of Representatives, No. 114, Thirty-ninth Congress, second session, page 13.)

By the law of March 12, 1863 (volume 12 Statutes at Large, section 3, page 820, &c.), suit could be brought by owner for proceeds "at any time within two years after the suppression of the rebellion."

This limitation expired 20th August, 1868 (see decision before quoted); therefore, no suits could be brought thereafter, and none have been. After the statute of limitation commenced to run, an abstract of all cases pending in the Court of Claims shows as follows:

Suits were pending for—

22,849 bales cotton from New Orleans; average value in Treasury,	$2,779,809.34
23,616 bales from Mississippi, Arkansas, Tennessee and Northern Georgia	5,092,953.40
37,346 bales Savannah upland, Georgia	6,457,874.18
851 bales Sea Island	197,253.29
3,417bales Charleston (S. C.) upland	460,539.30

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468 bales Charleston (S C.) Sea Island	83,528.64
30,173 bales Mobile, Ala	493,877.45
849 bales North Carolina	71,952.75
92,571 bales, worth	$15,727,788.35

It will be seen that if every dollar sued for was recovered under judgment, the case would stand as follows:

Amount of proceeds of sales of captured and abandoned property in Treasury	$26,092,460.96
Total amount of all suits pending when limitation commenced to run	15,727,788.35
Leaving in the Treasury a balance of	$10,364,672.61

The first suits for cotton came to a judgment at the December term, 1866, since when up to the 4th April, 1872, present month, the whole amount paid out has been $2,858,612.02, as per First Comptroller's record in the Treasury Department, being but $648,135.06 more than was paid out by the Secretary of the Treasury prior to March 30, 1868, when the fund was ordered to be covered into the Treasury, and which was paid out without the authority of law."

HOW JUDGMENTS WERE RENDERED IN THE DEPARTMENT.

Q. What officer of the Treasury approved and settled your accounts?—A. The First Auditor and Commissioner of Customs.

Q. What was the process of settling claims against the fund while you were connected with the captured and abandoned property division, by the Secretary of the Treasury?—A. So far as came within my knowledge, the cases were upon *ex parte* testimony only; that is, upon affidavits and the like, which very generally followed up and identified some part of the cotton that had been taken from some particular district.

Q. Have you any data by which you can state to the committee what is the total aggregate amount paid into the Treasury on account of captured and abandoned property?—A. In that printed article I go as near as possible to it. It is stated there in so many words, "amount of proceeds of sales of captured and abandoned property in Treasury, $25,092,460.96."

Q. Is that made up of the amount paid in from each agent?—A. By the report of the Secretary of the Treasury, of date May 11, 1868, Executive Document 56, House of Representatives, second session, Fortieth Congress, page 53, it is stated that the total amount of proceeds is $25,257.931.62; to this can be added the sales of the Quartermaster's Department of the Gulf, Col. A. B. Holabird, which amounts to $824,529.24, or the total receipts from this source are $26,092,460.96. My attention was invited to the statement in this report of the Secretary of the Treasury and the statement of finance for 1875. When it comes direct to these proceeds of cotton, it is palpable on its face that there is an error in the figures.

Q. Who is that report made by?—A. Made by the cotton division of the Secretary's office.

Q. In that report what does he state to be the proceeds of captured and abandoned property covered into the Treasury?—A. He stated it to be $20,910,656.44.

A $5,000,000 DEFICIT.

Q. And you say that is erroneous?—A. I say that is erroneous.

Q. Let me understand whether the figures of twenty-six millions of dollars and odd, given by you, include the premium on sales of the coin?—A. The premium is stated in this executive document.

Q. I hold in my hand a letter from the Secretary of the Treasury in answer to a resolution of the House of Representatives of December 8, 1870, dated February 9, 1871, which purports to give a statement of moneys covered into the Treasury as the proceeds of captured and abandoned property; look at that aggregate amount of the payments given, and say whether, in your opinion, that is a correct statement of the amounts that were covered in from your knowledge of the books?—A. I should suppose it to be more nearly correct than the figures give in Executive Document No. 56, of second session, Fortieth Congress, alluded to in my previous testimony, and having been made up more fully in 1871 than in

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1868, and containing, as it does, the Holabird contribution to the captured and abandoned fund, would also be more accurate than my estimate made on the 4th of April, 1872. With data that I had I made up a statement for the Treasury in 1868 or 1869, where I found $26,092,460.96 as the grand total of the captured and abandoned property turned into the Treasury; this Executive Document No. 113 (Report of February, 1871, they having access to all sources), proves the same to be $26,709,268.89 (page 4).

Q. Then this letter, giving this sum of $26,709,268.89, embraces the premium of sales of coin and the Holabird sales to which you refer?—A. Yes, sir; it does. I have examined it, and I see it embraces the premiums on sales of coin; and on looking at it further I find the Holabird amount.

Q. In your judgment, it gives the accurate statement of the amounts of money covered into the Treasury from the sales of captured and abandoned property?—A. I believe it does, sir.

STRIKE THE BALANCE.

Thus it will be seen that there is a difference between the two statements made by the Treasury Department in regard to the sum of money realized from the proceeds of captured and abandoned property covered into the Treasury Department; between the statement made in 1871 embodied in Executive Document No. 113, and a statement in the finance report for 1875, of $5,798,612.45. Moreover the total amount paid up to April 4, 1872, $2,858,612.02 as the disbursements from the captured and abandoned property fund on judgments rendered by the Court of Claims does not represent the full extent of the claims adjudged by that Court against the fund. The Court of Claims have decided claims against the Government on account of cotton seized which aggregated more than $8,830,762. This sum represents the total of judgments on cases decided against the government, which were appealed, whereas there were many cases which were not appealed by the Attorney-General. Therefore, it will be seen, that of the $25,092,460 resulting from the proceeds of captured and abandoned property, $8,840,762 has been decided by the Court of Claims to have been illegally seized, and the Secretary of the Treasury paid on *ex parte* testimony, $2,210,476 more, so that $11,050,238 have been or will be soon handed over. Now take the amount reported in finance report of 1875 to have been covered into the Treasury $20,910,656, and there only remains $9,860,418 after the above amount is deducted. The costs to the Government of defending suits in the Court of Claims, in paying special counsel fees and all other expenses incident to the management of the Captured and Abandoned Property Bureau in the Treasury Department will eat up fully $2,000,000 more, so that up to date the Government has about $7,500,000, and probably less as the net proceeds of captured cotton. There are still other cases pending in the Court of Claims which are yet to be passed upon. In the end, if the Government realizes a profit of $5,000,000 from captured and abandoned property, it will do better than it now promises. Twice this sum could have been, at the close of the war, secured, and the Governments title to the same forever secured by accepting the proposition of Roane, but then that would not have enabled W. E. Chandler and other favorites in Washington to make their millions, and the people of the South would not have been robbed and otherwise oppressed.

LOOSE MANNER OF TRANSACTING BUSINESS.

The manner of conducting the business of the Bureau of Captured and Abandoned Property was of the loosest description. In the first place Secretary Bristow discovered in 1875 that there was no authority of law for any such Bureau. It had been up to that time in the office of the Commissioner of Customs, and T. J. D. Fuller, an attorney who had some cotton cases, brought the matter to the attention of Bristow, who examined into it, and decided that the whole business should be turned over to the first Comptroller. While the Bureau was in the office of the Commissioner of Customs, the chiefs of it were S. H. Kaufman, George S. Parker, M. L. Noerr and William Fessenden.

In regard to the manner of paying out money during the time Kaufman and Parker were chiefs of the Bureau Mr. Stevens E. Gough in the Customs Division of the Treasury Department, testified as follows:

"Q. Before that fund was covered into the Treasury what was the process of paying cotton claims?—A. There was a letter written; Mr. Kaufman, I think, and Geo. S. Parker where chiefs in charge of the Captured and Abandoned Branch of

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the Secretary's office; a letter would be written, signed by the Secretary to the Commissioner of Customs requesting a requisition to issue for such and such purposes, to such and such parties, payable out of that appropriation. I would issue the requisition and return it to the Secretary's office, to Mr. Kauffman's room, or Mr. Parker's, upon which the draft was issued.

Q. Upon whom was the draft for that money?—A. Different parties. I think some of the letters read about to this effect: "Payable to the order of S. H. Kauffman, ten thousand dollars," "fifteen thousand dollars," or "twenty thousand dollars," for him to disburse.

I don't know how it was disbursed. I have all the letters of the Secretary from the commencement up to the last.

Q. You have answered me in whose favor these drafts were drawn; I want to know on whom they were drawn?—A. On F. E. Spencer, as treasurer and special agent.

Q. They were all drawn in that way?—A. Yes, sir.

Q. Were all the drafts that were drawn by the treasurer, or requested to be drawn by you, in favor of Mr. Kauffman or some other person, or were they drawn in favor of the actual parties to whom the payment was to be made?—A. In some cases they were drawn in favor of the actual parties to whom the payment was to be made; in some cases the drafts were drawn payable to Mr. Kauffman to be disbursed by him.

HOW IT WAS DONE.

The following are the letters from the Secretary of the Treasury to the Commissioner of Customs, directing requisitions to be issued in favor of S. H. Kauffman on the Captured and Abandonded Fund.

TREASURY DEPARTMENT, April 18, 1866.

"SIR: You are hereby authorized and instructed to issue a requisition on F. E. Spinner, Esq., United States Treasurer, special agent, to the credit of S. H. Kaufmann the sum of $2,000, to be disbursed by him, under my direction, for the payment of incidental expenses connected with the collection and sale of captured and abandoned property.

"Respectfully,

"HUGH McCULLOUCH,
"*Secretary of the Treasury.*"

"To the COMMISSIONER OF CUSTOMS."

Q. Whose handwriting is this?—A. George S. Parker's.

Q. What position did Parker hold in the Treasury?—A. He held a position as chief clerk in charge of captured and abandoned property after Kaufman resigned. He is now dead. Then Mr. Noerr succeeded Mr. Parker.

Q. Do you know for what purpose this $2,000 just referred to was applied?—A. I presume I can ascertain by looking at his account.

Q. Do you mean by looking at the voucher which it was his duty to have filed?—A. In his account he charges that sum of money, and then he furnishes vouchers for that. *He never rendered but one account wherein he is charged with all these sums.*

Q. Does that account show for what purpose *he applied the particular sums? Does it show for what purpose this* $2,000 *was applied?*—A. NO, SIR; IT DOES NOT. The next item is $10,000, dated May 3, 1866. The letter is as follows:

A TEN THOUSAND DOLLAR WHACK.

TREASURY DEPARTMENT, May 3, 1866.

"SIR: You are hereby authorized and instructed to issue a requisition on F. E. Spinner, Esq., United States Treasurer, special agent, to place to the credit of S. H. Kaufman, the sum of $10,000, to be disbursed by him, under my direction, for the payment of incidental expenses connected with the collection and sale of captured and abandoned property.

"Respectfully,

"HUGH McCULLOUCH,
Secretary of the Treasury.

"To the COMMISSIONER OF CUSTOMS."

Q. This is also written by Mr. Parker, in his handwriting?—Yes, sir.

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Q. Who was in charge of the department when these letters were written ? was it Parker or Kaufmann ?—A. Mr. Kaufmann was in charge at that time.

Q. Mr. Kaufmann was in charge of the captured and abandoned property division?—A. Of the Secretary's branch of the captured and abandoned peoperty.

Q. How does this last letter compare in date with the other ?—A. This is a month later. The next item is June 5, 1866, for $5,000 ; the letter is as follows :

TREASURY DEPARTMENT, June 5, 1866.

"SIR: You are hereby anthorized and instructed to issue a requisition on F. E. Spinner, Esq., United States Treasurer, special agent, for the sum of $5,000, to Mr. S. H. Kaufman, to be disbursed by him, under my directions, for incidental expenses connected with the collection and sale of captured and abandoned property.

"Respectfully,

HUGH McCULLOUGH,
"*Secretary of the Treasury.*

"To the COMMISSIONER OF CUSTOMS."

ONE CHECK AS GOOD AS ANOTHER.

Q. This has G.S.P. on the right-hand corner, and W.E.C. on the other corner? —A. Yes, sir.

Q. Is this also the handwriting of Mr. Parker ?—Yes, sir.

Q. I see there is no check on this letter?—A. Mr. Kaufmann may have been out at the time, and Mr. Parker was Mr. Kaufmann's assistant.

Q. *So Mr. Parker's check was equivalent to Mr. Kaufmann's check?*—YES, SIR; but you will find in the larger amounts both their checks appear.

Q. Who is D. W. Haines?—A. He was in charge of the captured and abandoned property division of the Commissioner of Customs' office. He is a brother of the late Commissioner of Customs, who was interested in this Parkman, Brooks & Co. affair. He is now a clerk in the Sixth Auditor's Office of the Treasury Department.

M. Haines was in charge of the captured and abandoned property division in the Commissioner's Office before it was transferred, and before you took charge of it ?—A. Yes, sir. The captured and abandoned property division was not transferred until within a month ago. From its organization up to the 1st of April, the captured and abandoned property remained in charge of the Commissioner of Customs. Since that date it is transferred to the First Comptroller's Office.

Q. Was that change made in consequence of the discovery by a certain party acting as an attorney, Mr. Charles D. J. Fuller, attorney for Mr. O. H. Burbridge, of New Orleans, that it should not be with the Commissioner of Customs?—A. He was a special agent of the agency at New Orleans, but he resided at Covington, Ky., and he discovered that there was no authority for ever placing the captured and abandoned property accounts there.

Q. What is the next item?—A. The next item is June 29, 1866.

Q. What does that amount to?—A. $5,000. The letter is as follows:

KAUFMAN, PARKER AND CHANDLER.

"TREASURY DEPARTMENT, June 30, 1866.

"SIR: You are hereby authorized and instructed to issue a requisition on F. E. Spinner, United States Treasurer, special agent, in favor of S. H. Kaufmann, of my office, for the sum of $5,000, to be disbursed by him under directions from me, on account of incidental expenses in connection with the collection and sale of captured and abandoned property.

"Respectfully,

"HUGH McCULLOUGH,
"*Secretary of the Treasury.*

"To the COMMISSIONER OF CUSTOMS.
"[Immediate.]"

Q. There are the initials G. S. P. on the left-hand side of the page on which it is written; what do they stand for?—A. They stand for George S. Parker.

Q. What do you understand by that other mark?—A. That is Kaufmann's private mark, his monogram, as I call it.

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Q. So on one side of this letter, on the left-hand corner, is the mark of Kaufmann, and in the other is the mark of the Assistant Secretary, W. E. Chandler?—A. Yes, sir.

Q. Is Mr. Chandler now connected with this business?—A. No, sir; Mr. Chandler is out long ago. Mr. Chandler and Mr. Kaufmann went out both about the same time.

Q. What is the meaning of that last mark "immediate?"—A. That means that they had to throw aside all other work, and immediately draw the requisition.

Q. What is the next item?—A. The next letter is November 13, 1866. That specifies what the money was paid out for. That is for an amount paid General Gordon Granger, while discharging duties as special agent of the Department, under instructions from the Secretary of the Treasury.

"TREASURY DEPARTMENT, November 13, 1866.

"SIR: I will thank you to issue your requisition on F. E. Spinner, Esq., United States Treasurer, special agent, for the sum of $500, in favor of S. H. Kaufmann, to re-imburse for an amount paid by him, by my direction, to General Gordon Granger, for expenses incurred in the discharge of his duties as a special agent of the Department, under instructions dated the 7th of May last.

"HUGH McCULLOUGH,
"*Secretary of the Treasury.*

"To the COMMISSIONER OF CUSTOMS."

TREASURY DEPARTMENT. Dec. 4, 1866.

SIR.: You are hereby authorized and directed to issue a requisition on F. E. Spinner, United States Treasurer, special agent, to S. H. Kauffman, of my office, for the sum of 10,000 dollars, to be disbursed by him under my directions for incidental expenses connected with the collection and care of captured and abandoned property.

W. E. CHANDLER,
Assistant Secretray of Treasury.

ANOTHER $10,000 WHACK.

"To the COMMISSIONER OF CUSTOMS."

"TREASURY DEPARTMENT, May 28, 1867.

"SIR: Acting under my direction, Mr. S. H. KAUFFMAN, of my office, has among other payments, advanced from funds placed in his hands, the following named sums of money, at the times and to the persons and for the purposes stated: $6,000 on December 24, 1866, to Messrs. Hughes, Denver & Peck, which sum it was understood was in full, for all information furnished, services performed, or expenses incurred by them in relation to certain cotton claimed by the Louisiana State Bank, but held by the Government to be captured and abandoned property; $2,500 on the 4th of January, 1867, to Isaac F. Redfield on account of legal services, to be rendered by him in relation to certain suits for the recovery of captured property in England; $1,000 to James Hughes on the 7th of January, 1867, for legal services as special counsel in the case of Elgee *vs.* Lovell, touching the property familiarly described as the Elgee cotton; $200 on the 21st of February, 1867, to M. A. Clancy on account of extra services performed by him in relation to captured and abandoned property. For the purpose of re-imbursing the fund in his hands in the amounts named, you will please issue your requisition on F. E. Spinner, Esq., United States Treasurer, special agent, to be satisfied out of any funds in his hands as the proceeds of captured and abandoned property, in favor of Mr. Kaufmann for the sum of $9,700, the draft when issued to be delivered to the payee, in order that such instructions as I may give touching the proceeds may be carried out. Although this draft is to the credit of Mr. Kaufmann, yet as he has been once charged with the amount and has paid the sums composing it to the persons named instead of charging it to Mr. Kaufmann, the several amounts specified should be entered on your books as a charge against the persons who received the same, and the facts should be made to appear substantially on your requisition.

"Very respectfully,

HUGH McCULLOCH,
"*Secretary of the Treasury.*

"N. SARGENT, *Commissioner of Customs.*"

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"TREASURY DEPARTMENT, September 24, 1876.

"SIR: To re-imburse him for the amount advanced by my direction to William H. Hall, acting under United States District Attorney Courtney, of New York, to be used in the matter of certain investigations to recover by legal proceedings the proceeds or value of Government property fraudulently converted to private use, you will please issue your requisition on F. E. Spinner, Esq., United States Treasurer, special agent, in favor of S. H. Kaufmann, for the sum of $200, the same to be paid out of any money in the hands of Mr. Spinner as the proceeds of captured and abandoned property.

Respectfully

"HUGH McCULLOCH,
"*Secretary of the Treasury,*

"N. SARGENT, *Commissioner of Customs.*"

It will thus be seen that $80,000 was by order of the Secretary of the Treasury, placed to the credit of Mr. Kauffman who disbursed the same and was not required to state an account or furnish vouchers. Kauffman was a poor man when he entered the Treasury Department; when he left it, he was rich.

THE SUCCESSORS OF KAUFMAN, PARKER AND CHANDLER.

In regard to the two clerks who were chiefs of the Bureau of Captured and Abandoned Property, up to the time it was transferred to the first Comptroller's Office, Mr. William Brown, a Republican, testifies as follows:

Q. Do you know anything about the former positions held by Noerr or Fessenden?—A. Of Noerr's antecedents, I know nothing. Fessenden was a paymaster in the army, and was dismissed from the army on account of embezzlement. I know that from an examinatien of the record in the Adjudant General's office.

Q. Do you know whether that fact was ever brought to the attention of the present Secretary of the Treasury?—A. It was brought to his attention by myself in 1874.

Q. Did your politics and those of the Secretary's agree?—A. Yes, sir; except that I am a Republican of the extremest type. I went to Mr. Bristow with the papers in Fessenden's case. Mr. Bristow said to me, that Mr. Hamlin, Mr. Blaine, of Maine, and Mr. Eugene Hale, of Maine, had vouched to him for Fessenden's integrity and good character, and that under these circumstances he did not feel called upon to take noitce of it.

Q. When did this conversation occur?—A. In the Fall of 1874. I only called his attention to the matter and handed him a copy of the papers from the Adjutant General's office. He expressed surprise that Fessenden had been guilty of anything of that kind.

Q. When was Fessenden dismissed from the army?—A. In 1862 or 1863, and he was appointed in the Treasury Department about 1864.

Q. Do you know, whether Fessenden's amount in which he was defaulter to the Government was ever settled?—A. The only information I have on the subject is from a printed report of a Committee of the Senate of the last Congress on the claim of a man named Colby, to whom Fessenden had furnished about eighteen thousand dollars of the funds, for which he was defaulter. In that report the Committee said that this money had never been re-imbursed to the United States Government."

FURNISHING FALSE INFORMATION.

In regard to Mr. Noerr, Joseph Casey formerly Chief Justice of the Court of Claims appointed by President Lincoln, testified as follows:

Q. Do you know Mr. Noerr, the present Chief of the Captured and Abandoned Property Division?—A. I know him personally very well.

Q. Do you know particular instances in which calls were made upon the Secretary for returns in regard to the process in which incorrect information was furnished?—A. Yes, sir; I do.

Q. Be kind enough to enumerate the cases if you can recollect them, and state in what respect the information was incorrect.—A. I called for information in some fifty or sixty cases, commencing with the case of John H. Newman, then pending in the Court of Claims, for an amount of cotton that had been received by the Treasury Agent at Vicksburg, shipped thence and sold for the amount of proceeds paid into the Treasury. A return after a great deal of delay was sent in

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the latter part of 1872, or the begining of 1873, a copy of which may be obtained from the Court, of Claims I think, in which the matters returned, in the first place was so commingled and confused, as to be utterly unintelligible, and in the second place, were untrue and incorrect, as events proved, in their statements and facts. The return from that Bureau and from the Treasury Department showed that there were in the Treasury the proceeds of about six hundred and forty bales of cotton from Vicksburg.

Q. Do you remember to what they amounted ?—A. No, I cannot now tell the amount, but I think not over one hundred and twenty-five thousand or one hundred and thirty thousand.

Q. Do I understand these claims in which the calls were made were all upon this Vicksburg cotton?—A. On the Vicksburg cotton. Being dissatisfiedwith it, I asked for further proceedings from the Court to obtain correct information, and at one time making application for a subpoena *deuces tecum*. After considering the matter, the Court on the 4th of June, 1873, if my recollection of it is correct, referred the matter of the Missisippi cotton, together with other cotton, of that region, and especially Vicksburg cotton, to a commission, Mr. Eveleth to report upon the amount of cotton received, to what points shipped, to whom sold, how much proceeds resulted, and whetheer these proceeds were in the Treasury. After some two years, delay and examinations of the matters, Mr. Eveleth made a report on the Vicksburg cotton, from which it appeared that there were in the neighborhood of twelve thousand bales received there and shipped.

ONLY A DIFFERENCE OF $800,000.

Q. Can you give us the discrepancy that exists between the return to the first call and the report of Mr. Eveleth with reference to the Vicksburgh cotton alone—in the number of bales ?—A. I am not able to do so without having some other papers before me. I could not give the exact statement. I could only give, by reference to this report and from recollection, an approximate statement.

Q. I understood you to say that the Captured and Abandoned Property Division returned something over six hundred bales as the amount that remained in the Treasury from Vicksburg cotton ?—A. Yes.

Q. Can you see there the proceeds of how many bales Mr. Eveleth reports as remaining in the Treasury, of the Vicksburg cotton ?—A. I can state from recollection that Mr. Eveleth's report showed that there had been actually sold, and gone into the Treasury, of the cotton shipped from Vicksburg, five thousand and odd bales, (the odd being less than one hundred, I cannot state the exact number.) The amount of proceeds is given approximately correctly here in the amendment to the second report of Mr. Eveleth.

Q. At how much ?—A. At $925,925.04, some eight hundred thousand dollars more than the officers of Cotton Bureau had returned.

Q. Has any explanation ever been made to you as to why or how this discrepancy between the two statements occurred ?—A. None whatever ; I have tried to obtain it from Mr. Noerr. I knew before Mr. Eveleth reported, and before his appointment, that the former statement was incorrect, from knowledge derived from my clients and from proof in the cases, and I endeavored to get Mr. Noerr to correct it, but without any result.

Q. Did he show any disposition to correct it ?—A. None whatever.

KAUFMAN'S CONFESSION.

Mr. S. H. KAUFFMAN, who was Chief of the Captured and Abandoned Property Division of the Secretary's Office, had the disbursements of all moneys paid from that fund, for counsel fees, &c., testifies as follows:

Q. Was the order of the Secretary to you, to draw money from Mr. Spinner, a written or a verbal one?—A. *My impression is that it was generally verbal.* There may have been some written memorandum, from one of the memorandum blocks, sent in, directing me, to do thus and so, but I could not answer as to that.

Q. Do I understand you to say that there was this amount of money which you speak of, bordering upon $100,000, or something over, in your hands; was it all set aside in the hands of this special agent, subject to your draft at one time? —A. I do not think the whole sum was ever set to my credit; I think sums were added from time to time.

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Q. Were added by whom?—A. By direction of the Secretary.

Q. What was the amount you were originally authorized to draw for?—A. I cannot answer that.

Q. Approximately?—A. I have no means of recollecting. I could not say whether it was $20,000, or $30,000, or $40,000.

Q. What evidence, if any, did Mr. F. E. Spinner, the special agent having control and custody of this fund, have, that you were ordered by the Secretary to draw checks in specific cases?—A. I suppose he had written directions or information, but I cannot say that positively.

Q. Did the face of the checks you drew show in whose favor and for what they were drawn?—A. They showed in whose favor, *but I don't know that they indicated in all cases, or in any case, for what purpose.*

Q. Then you could draw on that fund a check in favor of anybody, without indicating for what purpose it was drawn?—A. *Yes, sir; my impression is that the face of the check did not show the purpose.*

ALL IN HIS OWN HANDS.

Q. And the use which you made of this money thus set aside was all made by checks drawn by you?—A. Yes, sir.

Q. Drawn always on Mr. Spinner as special agent?—A. Yes, sir.

Q. Are those checks in his possession now?—A. I presume so. They were never returned to me. I presume he kept them. In an ordinary private bank, the checks are returned to the trader, but I think the Treasury in all cases retain the checks drawn on them.

Q. Who prepared the requisitions for the Secretary's or Assistant Secretary's signature?—A. I think Mr. Parker.

Q. Did you prepare any?—A. *I think it is likely I did.*

Q. Did Mr. Fessenden prepare any?—A. It is possible he did.

Q. Did you furnish any evidence to the accounting officers that this money was to be paid to any specific claimant, or would they have any evidence that this money ever reached its proper destination?—A. I presume they would have evidence; the direction to the Treasurer or special agent was generally in the form of a letter which set forth such matters.

Q. I understood you to say a moment ago that this fund was set aside to your credit subject to your draft?—A. You are speaking of this part of it which was set to my credit—yes, sir.

Q. Of course the Secretary could not know what claims you would use it to liquidate?—A. No, sir; the money was put in my hands for that purpose, and I never used any of it for that purpose——

Q. I understand you to say that this money was set apart by the direction of the Secretary of the Treasury in the hands of this special agent, and subject to your draft?—A. Yes, sir.

THE GOVERNMENT HAD NO PROTECTION.

Q. What I want to know is, what protection did this special agent have for paying any drafts you might draw by being informed, and if so, by whom, as of what particular purpose, and for the payment of what particular claim, the drafts were drawn?—A. *I am not aware that he had any.* I don't know what information he may have had from the Secretary, or from any other officer, as to my right to draw the check.

Q. Your checks were always paid, were they not?—A. I never heard to the contrary.

Q. They would have been returned to you if they were not?—A. Yes, sir; I should have have heard of it, probably.

Q. To what amount did you draw checks in all—approximate it as nearly as you can—the whole amount.—A. My recollection is that it would be in the neighborhood of $100,000; it may have been more.

THE OBJECT APPARENT.

It is apparent that the object of Secretary McCullough and his first assistant, Wm. E. Chandler, in refusing to accept the proposition of Mr, Roane, made through responsible parties, to furnish the evidence which would enable the government to seize and maintain perfect title to all the cotton belonging to the

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so-called Confederate Government, was for the purpose of giving their friends an opportunity to make money. After rejecting this proposition of Mr. Roane's, the Secretary, through Chandler, made a contract with Hughes, Denver & Peck to furnish evidence which would enable the government to seize the cotton, and this firm of lawyers in turn employed Mr. Roane. These gentlemen continued to act for the government until they had obtained an intimate knowledge of all the information possessed by the Bureau of Captured and Abandoned Property, and then, after Mr. Chandler had left the department, they set up as attorneys to prosecute cotton claims against the government. They had been paid through Kauffman while acting for the government from twenty-five to fifty per cent. for all amounts collected. In regard to this, Mr. Roane testifies as follows :

"Q. What was the nature and scope of the contracts ?—A. To collect the Confederate property; and Hughes, Denver & Peck were to receive a certain proportion of the amounts to be collected. Under the Treasury regulations, the Secretary of the Treasury had the right to make the contract to give them from twenty-five to fifty per cent.

Q. How long did that contract continue ?—A. For several years.

Q. You say you gave them certain information ; you mean as to the whereabouts of Confederate cotton ?—A. No sir ; as to cases that they had in their charge which had been referred to them previously by the Secretary of the Treasury under their contract ; not any general information.

Q. Have you any idea about what compensation amounted to that this firm received in that way under this contract ?—A. No sir ; I could not say.

BOTH FOR AND AGAINST THE GOVERNMENT.

Q. Do you know whether this firm acted as special counsel for the Secretary of the Treasury against any claimants for cotton ?—A. Yes sir ; they did ; they acted as special counsel against claimants for three hundred thousand dollars in gold loaned by the Richmond Bank to the Confederate Government and other cases.

Q. And at the time that this contract was running by which they received certain compensation from the Secretary of the Treasury for discovering cotton, were they also engaged in prosecuting the cases of claimants for cotton for the proceeds of cotton against the Government ?—A. Yes, sir.

The Secretary of the Treasury paid out of the captured and abandoned property fund $2,210,476.96, on *ex parte*, showing cases determined in the Treasury Department. By the law of March 12, 1863, suit could be brought by the owner for the proceeds of captured and abandoned property any time within two years after the suppression of the rebellion. This limitation expired 28th of August, 1868. No suits were brought after this time. A great number of suits have, under the Act of March 12, 1863, been brought in the Court of Claims for the recovery of property seized by the United States Government. The amount of judgments rendered against the United States on these cases, amounts to nearly $10,000,000. The firm of Hughes, Denver and Peck represent claims on which judgments to the amount of more thn $2,000,000 have been rendered by the Court of Claims.

A SPECIMEN FRAUD.

As illustrating the manner in which awards on claims against the captured and abandoned cotton fund had been made by the Treasury Department, we will give a brief history of the case of Parkman and Brooks. That no injustice may be done, the following statement of that case is taken from a report by Hon. Bluford Wilson, Solicitor of the Treasury, to Secretary Bristow, Dec. 31, 1874.

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR OF THE TREASURY,
WASHINGTON, D. C., December 31, 1874.

SIR: * * * It appears that in the year 1865, George L. Charlton, then United States depositary, and acting surveyor of customs at Memphis, Tennessee, issued to J. W. Page, jr., president of the Commercial Bank at that place, certificates of deposit on account of 7-30 Government bonds to the amount of $556,945, taking therefor, instead of money, Page's individual checks.

It is alleged by Page, and the evidence tends to show, that neither the bank

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nor himself received any advantages from these transactions other that the difference of exchange, but that the proceeds of the sales of these bonds were all placed, as soon as received, to the credit of Parkman, Brooks & Co., and drawn out by them.

In May, 1875, the checks of Page, thus held by Carlton, were given up by him, and canceled at the solicitation of Page, on the ground that Parkman & Brooks had received the proceeds of the bonds, Carlton receiving in their place from Page the checks of Parkman, Brooks & Co., of like date and amount.

The evidence shows, however, that the checks of Parkman, Brooks & Co. were obtained by Page in April, 1865, in their absence from Memphis, from a Mr. Learned, who was claimed to be their partner, and who was authorized to draw checks in the firm name in the ordinary course of business, and who also was accustomed to sign as partner the name of the firm.

In May, 1865, Parkman, Brooks & Co. denied the authority of Learned to sign their name to checks.

WHAT A SPECIAL AGENT REPORTED.

In this state of affairs the Secretary of the Treasury sent a special agent to investigate the matter. From this report it appears that Parkman, Brooks & Co. acknowledged themselves indebted to the Commercial Bank, and were willing to assume and secure, as best they could, $201,603.12, of the checks held by Carlton on being discharged by the bank.

Acting upon the conclusion that the proposal of Parkman & Brooks was the best on the fact, that could be had, the agent of the Treasury obtained from them, on settlement of the checks held by Carlton, five notes aggregating $201,003.12, four of them dated August 14, 1865, and one August 16, 1865.

The agent, however, did an unauthorized act himself in this matter which he was investigating. He made at the same time—August 14, 1865—in behalf of the United States, a contract with F. W. Brooks, one of the firm of Parkman, Brooks & Co., for collecting and delivering to Treasury agents certain lots of confiscable cotton and property.

The contract was made, as alleged by the agents, for the purpose of securing the payment of Parkman & Brooks's note.

By its terms the share of Brooks in the proceeds of property delivered over and above actual expenses was to be applied to the payment of four Parkman & Brooks's notes, amounting to $150,000. Brooks understood when the contract was made that it was subject to the approval of the Secretary of the Treasury, but, without waiting for this approval, agreed, in writing, to this application of the proceeds, and proceeded to collect the property.

The Secretary, however,

REFUSED TO RATIFY THE CONTRACT,

and Brooks was notified that it terminated on the 20th of August, 1865.

In the meantime, Brooks claimed that he had collected six hundred and forty-four bales of cotton under the contract, and made a claim therefor, which, on the 30th of April, 1866, evidently with some hesitation, the Secretary of the Treasury decided to allow to the extent of one-quarter of the six hundred and forty-four bales in full, and to credit the amount allowed upon the notes given by Parkman & Brooks.

The credit, amounting in the whole to $24,315,75, was accordingly endorsed upon the note of $94,000 namely, May 18, 1866, $21,112.55, and June 25, 1866, $3.203.20.

This is all the money ever awarded to Parkman & Brooks by the Treasury Department for cotton collected under the Risley contract, as appears by the records.

They were allowed, however, another sum, amounting to $33,297.28, the history of which is as follows: Some time in May, 1865, a claim was made by one A. K. Shepard and Parkman & Brooks for the proceeds of 19,700 bales of cotton collected by the agents of the Treasury, on the grounds that the claimants had purchased it under proper authority from the Confederate Government for delivery to the Treasury Department.

The Secretary declining to consider the claim thus presented, the parties then made a claim for salvage, alleging that, having acquired an interest in the cotton, they had, through their influence with the military authorities of both armies-

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and by the expenditure of money and personal attention, saved the same from loss and damage.

CLAIM ALLOWED.

In this form the Secretary decided to allow $157,944.66, dividing this sum into three drafts, for the purpose of keeping the interest of Parkman & Brooks, which was 40 per cent., amounting to $33,297.28, separate, for the reason that at the same time he determined to apportion the share of that firm in part payment of the indebtedness due from the United States on their five notes.

This application was made with the knowledge and consent of Parkman & Brooks and their attorney, and the amount was afterward sent to the Treasurer of the United States, and, in point of fact, credited to the indebtedness of Carleton, which was the same thing, for what was paid on the notes of Parkman & Brooks would liquidate to that extent the indebtedness of Carleton.

Parkman & Brooks, not having paid the balance due on their notes, they were afterward, namely, June 25, 1869, put in suit by the United States attorney at Memphis, Tennessee, which suit was pending until May, 1874, when it was dismissed by direction of the Secretary of the Treasury.

The reason of the dismissal was as follows: On the 13th of December, 1873, one P. D. Roddy made an application to the Secretary of the Treasury for the $33,297.28, the history and the disposition of which I have just related, on the ground that this sum had been adjudged to Parkman & Brooks in settlement of what was known as the Shepard case, and that the interest of Parkman & Brooks in this case and in other cotton and Confederate property reported by Brooks under the Risley contract had been assigned to him previous to the settlement."

ONE-HALF SACRIFICED—BALANCE GIVEN AWAY.

It will be observed that in the first settlement with Carleton, the defaulting agent of the United States, the special agent sent to settle said claim, sacrificed more than one-half of the entire claim; the original claim being $556,945, and the agent accepting the notes of Parkman and Brooks for $201,003.12 on their admission that they were indebted to the Commercial Bank in that amount. During the years of 1865 and 1866 Parkman and Brooks, it will be observed, had by their dealing with the Government, obtained credit upon the said notes to the amount of $57,613.03, up to this time at least not claiming that they had any defense to said notes. And thus the matter runs along until 1869, when the balance due on said notes not having been paid, they were put in suit, so says the Solicitor of the Treasury; and said suits were permitted to drag along until May, 1874, when they were dismissed by direction of the Secretary of the Treasury, as will be seen by examining the following letters:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
February 20, 1874.

SIR: It having been decided by the proper accounting officer of this Department that certain notes executed by Parkman, Brooks & Co., now in your possession, "are invalid and impose no obligation on the makers," I have to request that they may be returned to this office, and that any suits now pending in relation to said notes may be discontinued.

Very respectfully,

WM. RICHARDSON,
Secretary.

Hon. E. C. BANFIELD,
Solicitor of the Treasury.

To which Banfield replied as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR OF THE TREASURY,
WASHINGTON, D. C., March 6, 1874.

SIR: It has been decided by the Treasury Department that the notes of Parkman, Brooks & Co., upon which suits are pending in your district, are invalid and impose no obligation on the makers.

While I cannot agree with the decision reached by the Department in this re-

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gard, I am constrained by the terms of the Secretary's letter to me, a copy of which I inclose, to ask you to comply with the request therein contained.

Very respectfully,

E. C. BANFIELD,
Solicitor of the Treasury.

W. W. MURRAY, Esq.,
United States Attorney, Memphis, Tennessee.

HOW IT WAS ACCOMPLISHED.

Now how was this decision arrived at, and what was the occasion for it? On the 13th of December, 1873, one P. D. Roddy filed a petition in the Treasury Department, claiming to be the owner of the interest of Parkman & Brooks, and also claiming that the original notes were void and created no obligation on the part of said firm of Parkman & Brooks, and asking the Department to pay to him the amounts which had been credited upon said notes. This petition, it will be observed, was filed more than seven years after the date of the credits upon said notes, by a party who was before or about the same time mixed up with this Brooks, of the firm of Parkman & Brooks, in a disreputable swindle of the Treasury Department with a certain seal-lock, with which they swindled the Government out of thousands and thousands of dollars, and therefore the Secretary of the Treasury should have been upon his guard, unless he was a party to the steal. This petition was referred to Mr. Solicitor Banfield, the only person who, in the language of the Secretary, could be called "the proper accounting officer of the Department," to give an opinion on such a subject. Mr. Banfield gave the matter his attention and had prepared a letter giving in full his reasons for deciding against Mr. Roddy's claim, but which had not yet been forwarded to the Secretary of the Treasury, when, on the 28th of January, 1874, he received the following polite note from Mr. Sawyer, the Assistant Secretary of the Treasury:

Mr. BANFIELD:

Please return the Roddy claim and papers, and oblige, yours, very truly,

F. A. SAWYER.

Now, why was this claim taken out of the hands of Mr. Banfield just at that time? Plainly for the reason that it had been discovered that he was going to decide against it. There can be and there is no other reason given for the act.

It was no sooner taken out of his hands than it was referred to a Mr. William T. Haines, the Commissioner of Customs, whom the Secretary designates as "the proper accounting officer of the Department."

THE TESTIMONY OF AN HONEST CLERK.

Mr. J. Burr, a law clerk in the Solicitor's office of the Treasury Department, testified in regard to the "proper" accounting officer of the department as follows:

Q. Please state to the committee, if you can, who was the proper accounting officer to pass upon the invalidity of those notes? A. There is no accounting officer that has that power.

Q. Do you know, in fact, what officer it was that assumed to have that authority and power? A. I know who it was that reported that they were invalid.

Q. State to the committee who it was. A. It was William T. Haines.

Q. What was his position? A. Commissioner of Customs.

It is quite evident that the reference of this case to Haines was a mere arbitrary exercise of power on the part of the Secretary of the Treasury, and it might as well have been referred, so far as the propriety of thing is concerned, to any other officer of the Treasury. The motive which actuated the Secretary must be looked for somewere else than in the propriety of referring it to this officer.

ANOTHER HONEST CLERK.

Mr. Stephen E. Gough, a clerk in the Customs Bureau of the Treasury Department, testifies in regard to the case of Parkman, Brooks & Co. as follows:

Q. Do you know anything about the cotton claim of Parkman, Brooks & Co., and about the manner in which it was paid, the amount of it, and the persons at whose instance it was paid? A. Yes, sir.

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Q. State now to the committee, without the necessity of more particularly inquiry, all you know in reference to that matter? A. I think it was in January, 1874, W. T. Haines, who was then a Commissioner of Customs, sent for me and requested me to withdraw from the files the account of George N. Carleton, who was surveyor and special agent at Memphis, Tenn. I find the record shows that I went down that day and withdrew the account myself, and took it to Mr. Haines. He then asked me for a receipt and papers given by H. A. Risly in the Parkman, Brooks & Co. case. Mr. Barstow, who was a clerk in the office, was in there with Mr. Haines. I found the papers, and handed them over to him, and he said that was all he wanted of me, and I left. During that week I saw this Frank Brooks and Mr. Barstow and Mr. Haines, together, and I had been informed by Mr. Noerr that Parkman, Brooks & Co. were after that claim again; knowing the case to have been brought up some years previous, and that it had been allowed these parties, the same claim, but the money was not to be paid to them, but to be applied to notes held by the Government in the hands of the Solicitor of the Treasury, upon which this money was to be applied to their credit. On the 9th day of February, 1874, Mr. Lockwood, who was then chief clerk, came to my room and laid down in front of me, the claim of Parkman, Brooks & Co., and requested me to examine and pass the account, and enter it upon my book. I told Mr. Lockwood that I would enter it upon on my book, but I would not examine it and pass it. In that case it required my signature, and I declined to do it. He asked me why. I gave him my reasons;

I TOLD HIM I THOUGHT IT WAS A BOGUS CLAIM,

and I believed the claim had been paid once before. Mr. Lockwood replied, "It is ordered by the Secretary, and the Assistant Secretary, and the Commissioner of Customs; what are we to do about it?" I said, "I don't care anything about it. I will enter it on my book, but I will not examine and pass it." I entered it on my book, and passed the account in to Mr. Lockwood. Mr. Barstow was standing alongside of me at the time I replied to Mr. Lockwood that whoever examined and passed that account should put his name to it, as I was in charge of that branch and it would reflect on me. Mr. Barstow spoke up and asked me why I didn't do it. My reply was, "Not by a damned sight. You do it if you are not ashamed of it." I left the office and went back to my desk. Mr. Mahon, the First Auditor, came in shortly after and asked me what I did with the account. "Says I, "I took it in to Mr. Lockwood. I got through with it." He said he was sorry; he wished he had got hold of it. Says I, "He has got it; you can get it there." That was a claim for $33,000 and odd, and that was on the 9th day of February.

Q. What year? A. 1874; and I noticed, as I opened the account to enter it, that the warrant had been drawn on the 7th, two days before the account was brought in.

Q. Signed by whom? A. Signed by W. T. Haines, but not signed by any other clerk as having examined and passed it, and I being in charge of that branch I didn't like it; I thought at some future day the case might be brought up and the question asked who was in charge of that.

WOULD HAVE NOTHING TO DO WITH IT.

Mr. Gough goes on with his testimony to say that the warrant for the payment of this claim was dated on the 7th of February, and that the account was brought to him to be examined, passed and entered on the 9th, two days afterward. It was brought to him, he says, by the chief clerk of the Customs Bureau, and that he refused to enter it. He says, "I immediately got up from my desk and told Mr. Lockwood, the chief clerk, that I would neither examine nor pass that account, nor enter it on my book. Says I, 'There is the book, and you can enter it yourself.' And it is entered in Mr. Lockwood's handwriting."

WHO WERE IN THE JOB.

Mr. Burr, law clerk in the Solicitor's office, whose testimony we have already quoted, in speaking of the influences brought to bear to secure the payment of this fifty-seven thousand dollars to Parkman, Brooks & Co., testifies as follows:

Q. Who procured the passage of the subsequent Parkman, Brooks & Co., claim? A. There was no attorney or professional claim agent in the case. The gentle-

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men who interested themselves to my knowledge were Senator Spencer, Mr. Alexander White, a member of Congress from Alabama. Those two gentlemen interested themselves in the matter, but further than that I have no knowledge of any person except themselves, Brooks and Roddy.

Q. Can you tell me if any one, and, if so, who argued the case before Mr. Tayler so as to convince him that he could exercise that power under that act? A. I don't think any one argued the case before Mr. Tayler; but of that I have no knowledge. I know the case was argued before me by several gentlemen. It was not *argued,* because there was no argument in favor of it that could be produced; there were efforts made to induce me to recommend it.

Q. Was it presented to you with a view to having you recommend its payment? A. Yes, sir; to the Solicitor.

Q. by whom? A. Commissioners of Customs William T. Haines and Phillip D. Roddy; no others. They had a number of personal interviews with me, and in those interviews they endeavored to present reasons to me why I should report to the solicitor of the Treasury favorably upon the claim; in my judgment those reasons amounted to nothing. The reasons for its allowance that were given me and urged by Roddy and Haines were that the President had ordered its allowance. Q. Did they produce you any evidence of that fact? A. General Roddy showed me a paper to which was signed the name U. S. Grant; whether the President signed it or not I don't know, for I have no knowledge of his signature at all. The paper amounted to a certificate in favor of General Roddy's veracity—that he was a man worthy of belief, and statements made by him could be relied upon. The exact words I cannot clearly call to my mind. Q. Was there any mention of this claim in the paper? A. Nothing at all. That is the position I took with these gentlemen—that although they might use the paper to engineer the claim through, nevertheless it did not seem to me that it would bear that construction. I said to them tha there was no use urging it even if it did, for I did not pass papers on that kind of evidence.

WHERE JOHN A. LOGAN CAME IN.

Previous to the allowance of this fifty seven thousand dollars in 1874, the same parties procured on the same claim an allowance of one hundred and fifty seven thousand dollars, which was put through by Senator John A. Logan. Mr. Burr witness already referred to testified in regard to this as follows:

Do you know what attorney it was that finally procured the passage of the Parkman Brooks and Co. claim? A. The 157,000 dollars claim. Q. Yes. A. A Mr. Logan.

In conclusion it is only necessary to say that every one of the clerks who testified in regard to these frauds in the Cotton Bureau in a frank, straightforward manner, have been either dismissed or reduced in salary. Mr. Burr, the law clerk of the Solicitor's office, who was chiefly instrumental in exposing the Parkman-Brooks fraud has been dismlssed. He had been in the office from the time of Secretary Chase.

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TWIN MONSTERS OF FRAUD.

THE FREEDMEN'S BUREAU AND FREEDMEN'S SAVINGS BANK.

The Freedmen's Bureau was avowedly established to care for and maintain Southern White Union Refugees, as well as to protect and provide employment for the emancipated blacks. The incorporation of the Freedmen's Savings Bank was contemporaneous, and was designed to teach the improvident negroes, just released from the bonds of slavery, habits of thrift, and to guard them against the wiles of unscrupulous traders and speculators.

These institutions, had they been administered conscientiously, would have been useful in effecting the transition from slave to free labor. There was much suffering among the whites as well as the blacks toward the close of the war, wherever the Union armies had occupied Southern territory. The social and industrial systems were completely broken up; and great hordes of negroes, freed from the control of their late masters, flocked to the Union armies, and their maintenance had become a very serious problem. At the same time, there were considerable numbers of white people who had never sympathized with the rebellion, who sought the same shelter of the Union armies when they came within reach, and the support of these two classes was a very heavy burden upon the commissary department. To afford the refugees and emancipated slaves the means of self support, it was suggested that the lands within the Union lines abandoned by their owners should be parceled out among the helpless people, and that the Government furnish them with the means of tilling the soil, and supply their wants while awaiting the reward of their labor. Had this beneficial purpose been honestly adhered to, the good work which might have been accomplished would have been incalculably valuable. The change from the system of slave labor to that of free might have been effected without a jar; and the owners of the soil and their late masters would have accepted the new order of things without any ill-feeling on either side, and thus an era of good-feeling would have followed swift upon the close of the war; and the prostrate industries of the South would have revived as if by magic.

But there was an utter lack of wise and patriotic statesmanship on the part of the Republican leaders. There was, moreover, division in their counsels in regard to the policy which was to be pursued toward the South. President Lincoln had suggested in his message of 1863 a policy of re-construction which he afterward inaugurated in Louisiana. This plan, as he affirmed in the last public utterance he made, was "distinctly approved by every member" of his cabinet. In regard to this experiment he was making in Louisiana, Mr. Lincoln said :

THE MARTYRED LINCOLN'S LAST UTTERANCE.

"Some twelve thousand voters in the heretofore slave State of Louisiana have sworn allegiance to the Union ; assumed to be the rightful political power of the State ; held elections ; organized a free government ; adopted a free State con-

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stitution, giving the benefit of public schools equally to black and white, and empowering the Legislature to confer the elective franchise upon the colored man. This Legislature has already voted to ratify the constitutional amendment recently passed by Congress, abolishing slavery throughout the nation. These twelve thousand persons are thus fully committed to the Union, as to perpetual freedom in the States—committed to the very things the nation wants—and they ask the nation's recognition and its assistance to make good that committal.

"Now if we reject and spurn them, we do our utmost to disorganize and disperse them. We in effect, say to the white man: 'you are worthless, or worse; we will neither help you nor be helped by you.' To the blacks we say: 'This cup of liberty which these your old masters hold to your lips we will dash from you, and leave you to the chances of gathering the spilled and scattered contents in some vague and undefined when, where and how.' If this course, discouraging and paralyzing both to the white and black, has any tendency to bring Louisiana into proper political relations with the Union, I have, so far, been unable to perceive it. If, on the contrary, we recognize and sustain the new government of Louisiana, the converse of all this is made true. We encourage the hearts and nerve the arms of the twelve thousand to adhere to their work, and argue for it, and proselyte for it, and fight for it, and feed it, and grow it, and ripen it to a complete success. The colored man too, seeing all united for him, is inspired with vigilance and energy, and daring to the same end. Grant that he desires the elective franchise, will he not attain it sooner by saving the already advanced steps toward it than by running backward over them? Concede that the new government of Louisiana is only to what it should be as the egg to the fowl, we shall *sooner* have the fowl by hatching the egg than by smashing it."

Mr. Lincoln believed in a policy of reconciliation, and with his great heart overflowing "with charity towards all" the people of the South, he wanted to smooth asperities, encourage good feeling, and, above all, to reconcile the slaves and their late masters to the new order of things. He knew perfectly well that there must be not only harmony, but confidence between the owners of the soil and the laborers that tilled it, if industry was to be revived and prosperity restored to the South. He realized, moreover, with its fullest import, the fact that with the industrial system of that section deranged, with social disorders prevailing, the work of restoration would be more difficult; and that in the end the prosperity of the whole country must suffer thereby.

TRYING TO RESTRAIN THE RADICAL LEADERS.

He welcomed as a useful agent in the great work of reconciliation and reconstruction at the South the Freedmen's Bureau; but he would have shrunk in horror from the thought of prostituting it to the base use of a partisan political machine. Accordingly, his influence was exerted to restrain the Republican majority in Congress from conferring unusual powers upon the Commissioner of the proposed Bureau and his subordinates. He was also in favor of having all the employes of the Bureau held responsible to the military authorities and amenable to court martial. The bills which were introduced at the Second Session of the 38th Congress providing for the establishment of the Freedmen's Bureau did not confer any extraordinary authority upon the Commissioner or his subordinates, and they were to be held amenable to the articles of war if they were guilty of any misconduct. It was the judgment of the majority of the Senate that two much was left to the discretion of the Commissioner whom it was proposed to place in charge of the Freedmen's Bureau, and several bills which originated in that body, or were agreed upon in conference between the two Houses, were voted down. The principal objection to these measures was expressed as follows, by Senator John P. Hale of New Hampshire, who said:

"In other words, these officers, if they think fit, and cannot otherwise provide for the freedmen, may let them out on hire to their old masters, from whom they have been liberated, or to any body else that they see proper; and in that way, whenever the Government comes to be administered by bad men, not so pure and disinterested as we are—if we have to give place to other men entertaining less liberal notions than we do on this subject—what is to prevent those men, under the operation of the ninth section, from reducing the whole colored population back again to slavery?"

Senator Hale also objected to the 5th section of the bill because it permitted the parcelling out of abandoned lands to blacks only. On this point, he said:

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"If I am rightly informed, there are large sections of this country, at this moment, where there are loyal citizens of the United States and their families that have been driven from their homes, houseless, hopeless wanderers, living upon the charity of friends; and I think as well entitled to the sympathy and protection and the support of this federal government, and the friends of the federal government, as any other class on earth. This bill prohibits any one of these individuals from accompanying or having anything to do with any of these forfeited lands and supporting themselves in that way while a single freedman wants them. You in this way tie up your hands and forbid your officers who are appointed under this law from making the slightest provision for any suffering white persons, loyal refugees that have been driven from their homes on account of their fidelity and attachment to this Government."

THE BUREAU ESTABLISHED.

Finally, an agreement was reached by which a bill was secured, through a conference committee, less objectionable than any of the others, and it was passed. This compromise bill created the Bureau of Refugees, Freedmen, and Abandoned Lands in the War Department, and confided its management to a commissioner who might have ten assistants if it was deemed necessary. The objection which Senator Hale had urged was met by providing that abandoned lands should be distributed to refugees as well as to freedmen; the evident spirit of the law being that white Union people were to be cared for as well as the emancipated slaves. It is sufficient to say that the law never received this interpretation, and the Freedmen's Bureau was, from the very beginning, turned into an asylum for negroes, and very soon became a political machine for the manipulation of the negroes in the interest of the unscrupulous carpet-baggers, who sought and obtained control of the Southern States through the reconstruction measures soon afterwards passed by the national majority in Congress.

The act establishing the Freedmen's Bureau was approved March 3d, 1865, and on May 10th, 1865, Gen. O. O. Howard was assigned to duty as Commissioner. Whatever may have been the intention of this officer, it is certain that his administration of the Bureau was lax. He had but little executive ability and little if any knowledge of men. Before the Bureau was fairly in operation, the war was terminated by the surrender of the Southern armies, and close upon this event followed the assassination of President Lincoln. His successor, Mr. Johnson, did not possess the tact, discrimination and judgment of men which Mr. Lincoln did; and, moreover, he had not sufficient influence with the leaders of the dominant party to carry through a policy of his own in opposition to theirs. The ambitious and unscrupulous leaders of the majority in the House and Senate were determined to undo the work of reconstruction which Mr. Lincoln had accomplished in Louisiana, and to reconstruct the insurrectionary States after a plan which they had concocted, and which was designed to place those States under the permanent control of the Republican party. The South, at the close of the war, was overrun with vast numbers of political adventurers, who saw an opportunity for vast plundering, provided they could obtain possession of the local governments of the insurrectionary States. To accomplish this it was necessary that the negro should be enfranchised, and then it would be an easy matter to control them through the machinery of the Freedman's Bureau. All this was brought about in a very short time, and thus an institution, which, as we have already pointed out, might have exerted a beneficial influence in the re-organization of the social and industrial systems of the South, became an engine of disorganization—a political machine employed to sow the seeds of strife and bitterness between the slave population and their late masters.

AN EFFORT TO CONFER STILL GREATER POWER UPON THE BUREAU.

At the first session of the 39th Congress, an effort was made to pass a bill enlarging the jurisdiction and powers of the Freedmen's Bureau. It was proposed to continue in force until otherwise ordered by Congress, the Freedmen's Bureau, which, under the terms of the original act creating it, was to exist during the war and one year thereafter, and to extend its authority to any State where refugees and freedmen might be found. The President was to be authorized to divide the section of country containing such refugees and freedmen into districts, not to exceed twelve in number, and to appoint assistant Commissioners therefor.

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The Commissioner could, with the approval of the President, divide these districts into sub-districts, consisting of one or more counties, and assign to each one or more agents, who might be either a citizen-officer of the army or enlisted man. If an officer of the army was assigned, he received no additional pay, but otherwise these agents were to receive a salary of fifteen hundred dollars per annum. Military jurisdiction and protection was to be extended over the employés, agents and officers of this Bureau, and they were, moreover, invested with criminal jurisdiction, and could, in any of the insurrectionary States, take cognizance of complaints made by freedmen against white people, and sentence persons whom they might adjudge guilty of an infringement of the rights of the negroes to pay a fine of one thousand dollars, and undergo an imprisonment of one year. It was the duty of the President of the United States, upon the complains of the agents of the Freedmen's Bureau that the rights of negroes were being infringed, to declare martial law and enforce the decrees or judgments of the agents in the cases, as above specified.

A more monstrous law was never proposed to be enacted. The men who were then in the employ of the Freedmen's Bureau as agents were the last men in the world who should have conferred upon them judicial powers. They were constantly engaged putting strife between the colored people and their white employers, and were encouraging the confiding and ignorant blacks to believe that the general government intended to give each one of them "forty acres and a mule."

WHAT GEN. GRANT THOUGHT IN 1865.

General Grant, who in the Fall of 1865 had made a tour through the Southern States and reported on their condition, in speaking of the Freedmen's Bureau, says: "I did not give the operation of the Freedmen's Bureau that attention I would have done if more time had been at my disposal; conversations, however, on the subject with officers connected with the Bureau, lead me to think that in some of the States its affairs have not been conducted with good judgment or economy, and *that the belief widely spread among the freedmen of the Southern States that the lands of their former owners will—at least in part—be divided among them has come from the agents of this Bureau. This belief is seriously interfering with the willingness of the freedmen to make contracts for the cominy year.* In some form the Freedmen's Bureau is an absolute necessity until civil law is established and enforced, securing to the freedmen their rights and full protection. At present, however, it is independent of the military establishment of the country, and seems to be operated by the different agents of the Bureau according to that in divided nations."

The Republican party in Congress was determined, however, to carry out the policy which had been determined on for the reconstruction of the South, and this infamous bill was passed, but was vetoed by President Johnson. The action of the President in returning this bill without his approval, and giving his reasons therefor, was the beginning of his rupture with the leaders of the Republican party, and the commencement of the bitter warfare which was waged against him by those men until the termination of his administration.

THE POWERS CONFERRED UPON THE BUREAU.

The Act authorizing the establishment of the Freedmen's Bureau turned over to it all the abandoned and confiscated lands in the insurrectionary States, and all the moneys or property in any way derived from that source. By proclamation of the President, dated June 2, 1865, it was ordered "that all military and other officers of the United States should turn over to this Bureau and its agents all property, funds, lands, and records in any way connected with freedmen and refugees." Large appropriations, amounting to six or seven millions of dollars, to be disbursed through the Freedmen's Bureau, were made by the Army Appropriation Bill of 1866, and the powers of the Bureau were enlarged. Again, by the Army Appropriation Bill of 1867, several millions of dollars were appropriated, with scarcely a restriction as to the manner of their disbursement by the Commissioner. At the same time it was provided that the Commissioner might apply any balance on hand at that date of the refugees' or freedmen's fund to aid educational institutions "actually incorporated for loyal refugees and freedmen." By another Act, approved March 2, 1867, the custody of the retained bounty fund belonging to colored soldiers was given to the Commissioner, who was required to convert it

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into bonds of the United States; and by another Act, approved March 29, 1867, the Commissioner was authorized to receive and disburse all moneys due to colored soldiers belonging to the Southern States, and was "to be held responsible for the safe custody and faithful disbursement of the same." By Act of July 6, 1868, the Freedmen's Bureau was continued in force in those States which had not been restored to the Union, and the unexpended balance in the hands of the Commissioner was to be applied to educational purposes, subject to the existing laws applicable thereto. A joint resolution, passed July 25, 1868, provided that the Bureau should be discontinued on the first of January, 1869, but that its educational department, and moneys held by the Commissioner, due to colored soldiers, sailors and marines, should continue in his hands until otherwise ordered.

HOW THEIR POWERS WERE EXERCISED.

This naked recital of the various duties and powers conferred upon the Commissioner of the Freedmen's Bureau will convey some idea of the extent of the operations of that establishment. The four millions of emancipated slaves were practically turned over to the care and custody of the Freedmen's Bureau, and the whole industrial system of the South was in the hands of the Commissioner and his agents. The manner in which they abused this great trust is now a matter of history. Originally designed as a humanitarian agency to relieve suffering, to smooth asperities, and to make easy the way to a full and complete restoration of social order and industrial prosperity, it was prostituted to base political purposes, and made an instrument in the hands of unscrupulous men, whereby race prejudices were engendered and social disorders fomented. Worse than this, the millions upon millions of dollars confided to the custody of the Commissioner and his agents as a sacred trust to afford relief to the suffering white refugees, to enable the emancipated slaves to begin their new condition of life under the most favorable auspices, were recklessly squandered. The scandals caused by the mismanagement and profligateness which everywhere characterized the operations of the Freedmen's Bureau had grown to such magnitude, in 1870, that the Hon. Fernando Wood, of New York, from his place in the House of Representatives, preferred the following charges against Gen. O. O. Howard, the official head of the Bureau:

THE CHARGES AGAINST HOWARD.

"FIRST.—That he has taken from the appropriations made for, and the receipts of, that Bureau more than five hundred thousand dollars, improperly and without authority of law, for the Howard University, hospital and lands.

"SECOND.—That portions of the land alleged to have been sold for the benefit of the Howard University fund were disposed of improperly to the members of his own family and officers of his staff.

"THIRD.—That bonds issued in aid of the First Congregational Church, of the city of Washington, were taken in payment for a portion of this land, which have not yet been redeemed or paid, nor have they been returned in his official accounts as such.

"FOURTH.—That the University building and Hospital were built of patent brick furnished by the American Building Block Company, in which Gen. Howard, Charles Howard, General E. Whittlesey, and General C. W. Alvord, all attached to the Bureau, were interested as stockholders.

"FIFTH.—That the specifications for the construction of those buildings provided that the material used in their erection should be taken from the brick made by this company; thus preventing competition, and securing the use of that brick, and no other, for that purpose.

"SIXTH.—That the brick so used was unfit and nearly worthless; parts of the building have fallen down in consequence, and other parts have since been repaired and rebuilt, at the expense of thirteen thousand dollars.

"SEVENTH.—That by his consent, and with his knowledge, lumber belonging to the Government was used by this company, and appropriated to its own benefit, being resold to its employés.

"EIGHTH.—That he pays rent to the Howard University from the funds of the Bureau for the privilege of a headquarters.

"NINTH.—That he draws three salaries, namely: one as a brigadier-general in the United States Army, another as Commissioner of the Freedmen's Bureau, and a third as head of the Howard University.

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"TENTH.—That he has paid from the funds of the Bureau over forty thousand dollars for the construction of the First Congregational Church in this city, taking the church bonds in return, which he has either returned in his accounts as cash on hand, or sent South for the purposes of the Bureau.

"ELEVENTH.—He has advanced a large sum from the funds of the Bureau to the Young Men's Christian Association of this city, taking their bonds in payment, which have been sent to Tennessee to help the freedmen's schools in that State.

"TWELFTH.—That he caused, or knowingly allowed, lands in this city, owned by an officer of the Bureau, to be transferred to a freedmen's school in North Carolina; the officer taking the money appropriated for that school, and the school the lands in this city; thus perpetrating a fraud both upon the Government and the freedmen.

"THIRTEENTH.—That he was interested in the purchase of a farm of about three hundred acres, near the lunatic asylum in this county, for which the public funds and other property of the Government were used. Buildings were erected thereon, built of lumber belonging to the Government, and then let or sold to freedmen at exorbitant prices; and that he and his brother, Charles Howard, were personally interested in this transaction as a private pecuniary speculation.

"FOURTEENTH.—He has discharged the duties of the office of Commissioner of the Bureau with extravagance, negligence, and in the interest of himself and family and intimate friends.

"FIFTEENTH.—That he is one of a ring known as the 'Freedmen's Bureau Ring,' whose connections and influences with the freedmen's savings banks, the freedmen's schools of the South, the political machinery of a party in the Southern States, and whose position has been to devote the official authority and power of the Bureau to personal and political profits."

HOWARD WHITEWASHED.

When these grave charges were thus formally preferred against General Howard by Mr. Wood, he was denounced as a rebel and a traitor, and the Republican majority in both Houses of Congress, and with a few honorable exceptions, the press of that party, came to the support of the "Christian soldier," and vilified the man who had dared to say one word against him. An investigation of the charges was ordered by the House of Representatives to be conducted by the Committee on Education and Labor. The proceedings of this Committee were held in secret, and the result was a report from the majority completely exonerating General Howard, notwithstanding the truth of the charges, with one or two exceptions, was made perfectly plain. This was accomplished by the majority of the Committee arbitrarily closing the evidence against the protest of the minority, and refusing to have the bank account of General Howard at the Freedmen's Saving Bank examined. The questions addressed to the officers of that bank, "How much money has General Howard deposited in your bank on his individual account since he was appointed Commissioner of the Freedmen's Bureau," and "How much money has he borrowed of your bank on United States bonds as collateral security," were not permitted to be answered.

"THE IMPROPER APPROPRIATION OF FIVE HUNDRED THOUSAND DOLLARS."

The truth of the first charge, the improper appropriation of five hundred thousand dollars for the benefit of Howard University, was proven beyond question. The majority admitted that the money had been applied as charged, but claimed that, under the law, General Howard had discretionary power and could use the money as he saw proper. The minority showed that the only money under his control which could be applied to educational purposes was the amount remaining in the refugees and freedmen's fund at the date of the approval of the act of March 2, 1867, which was less than two hundred and fifty thousand dollars. It was proven that General Howard had given to various educational institutions, and to the New York American Missionary Association, from March 2, 1867, to May 1, 1870, $464,655.43, and this in defiance of the provision of the law, which required that this money should only be given to educational institutions "actually incorporated for loyal refugees and freedmen." It was further shown that in addition to the sum above named he had given to Howard University, for various purposes, $528,955.95, making a total of $993,611.38, which he had without authority of law bestowed on institutions not entitled to receive it; and in

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addition to this he had bought lands in the city of Washington, at a cost of $25,000, and erected buildings at a further cost of $123,800, which were subsequently turned over to Howard University and to a school at Raleigh, N. C., and another at Richmond, Va., while money appropriated for those schools was retained by friends of Howard, associated with him in the management of the Freedmen's Bureau. Thus it will be seen that a total of $1,132,911.38 was practically embezzled. At the same time it was apparent that the half million of dollars given to Howard University was simply to gratify the vanity of Gen. O. O. Howard. Practically this last sum of money was used to build a monument to perpetuate his name and fame.

The second charge, the retention of portions of the lands alleged to have been sold for the benefit of the Howard University for the use of members of General Howard's family and officers of his staff, was also established to be true by competent testimony. It was also brought out that associated with Howard in this enterprise were J. W. Alvord, President of the Freedmen's Savings Bank and General Superintendent of Education of the Bureau, and D. L. Eaton, Actuary, of the Freedmen's Savings Bank, and attaché of the Bureau.

STEALING MONEY TO BUILD A CHURCH

Charges third and tenth, in regard to the use of the Freedmen's Bureau fund for the construction of the First Congregational Church at Washington, were established beyond dispute. The prominent officers of this church were Subsidy Pomeroy and F. H. Smith, afterwards dismissed in disgrace from the official reporters' corps of the House of Representatives for his connection with jobbery. The manner in which Howard converted the funds of the Freedmen's Bureau into bonds of the First Congregational Church deserves passing notice. As Commissioner of the Bureau he transfered seventy-seven thousand dollars of the Bureau fund to the Barry or Model Freedmen's Farm Fund, of which he was Treasurer, and then re-transferred twenty-five thousand dollars of this fund to Howard University as a charity fund. Of this he borrowed one thousand dollars on his private account, exchanged eighteen thousand dollars of the same for First Congregational Church bonds, and loaned six thousand dollars himself, taking as security therefor a mortgage on his house and lot. Then again he had donated ten thousand dollars to a school in Richmond, Va., and notified the principal to that effect. When the principal came to Washington to get the money, Howard persuaded him to take bonds of the First Congregational Church and turned the ten thousand dollars into the church building fund.

Charges fourth, fifth, and sixth, in regard to use of patent building block, were also sustained by positive proof. It was shown that General Howard, his brother, Alvord, President of the Savings Bank, Eaton, actuary of the same, and all of them connected with the Freedmen's Bureau, were stockholders in the building block company; that the buildings were all built of this material, and that the contractors were compelled to use it. It was shown to be worthless, and that twenty-three thousand dollars had to be expended to rebuild and repair one of the buildings which fell down after it had been erected.

In regard to the Barry Farm, where the Freedmen's village was established, it was shown that Howard's brother went to Maine and bought of his father-in-law lumber valued at $61,420, which was brought to Washington at Government expense, and a portion of it used for the erection of houses for the freedmen on the Barry Farm, and that the remainder of it was used for various purposes on the Howard University, a portion of it being turned over to the Building Block Company to make sheds at their brick yard. The only instance in which the proof failed to substantiate a charge was in reference to the ninth allegation where it was asserted that Howard drew three salaries, one as Brigadier-General, another as Commissioner of the Freedmen's Bureau, and a third as head of the Howard University. The evidence only showed in this case that Howard drew his salary as a Major General in the army, and also a salary as President of the Howard University.

EVERY CHARGE PROVEN.

The advance of money to the Young Men's Christian Association in Freedmen's Bureau funds was proven, as was each and every one of the allegations made by Mr. Wood, save and excepting one, that in regard to the three salaries.

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It was shown that General Howard had disbursed, altogether, while Commissioner of the Freedmen's Bureau, about thirteen millions of dollars; and subsequent events established that the business of the Freedmen's Bureau was conducted in such a loose manner, that to this day it is impossible to ascertain what has become of all the money. But notwithstanding all this, the Republican majority of the Committee on Education and Labor approved of every official act of General Howard while Commissioner of the Freedmen's Bureau, and even applauded his conduct in applying public money to purposes not authorized by law.

After the discontinuance of the Freedmen's Bureau, January 1, 1869, Howard, as Commissioner of the Bureau, retained control of the retained bounty fund belonging to colored soldiers, sailors and marines.

By Act of June 10, 1872, the Bureau of Refugees, Freedmen and Abandoned Lands was discontinued and the businesst herefor turned over to the Adjutant-General's Office of the Army. When the Adjutant-General's Office took possession of the discontinued Bureau they found everything in great confusion, many of the important papers and record books being lost, and a deficit was also discovered in the retained bounty fund accounts. It was found also that General Geo. W. Balloch, Chief Disbursing Officer of the Bureau, claimed to have on deposit with the Treasurer of the United States $520,974.07, when in reality there were only $241.356.61 on deposit. Upon this matter being investigated, it was found that Balloch had in his own possession two hundred and fifty thousand dollars on the United States bonds, on which he had been drawing interest, and he claimed that the value of these was more than the deficit of $279,617.46 in his account with the Treasurer. On this showing he was suspended and ordered to be mustered out of the army. He claimed in his defense that he had the authority of the second Comptroller and the Treasurer of the United States to convert the money into bonds, but this was held to be no justification. Assistant Adjutant-General Vincent, in his report of October 7, 1872, on the condition of the accounts in the Freedmen's Bureau when he assumed control of it under the Act of Congress, above quoted, says:

THE PROOF TURNS UP AT LAST.

"The number of unpaid claims transferred is 4,858, amounting in the aggregate to $730,596.80; the amount transferred for their payment, $726,842.11, leaving a deficit yet to be accounted for of $3,754.69. This deficit was promptly reported to the Secretary of War with whom rests future action. The Treasury certificates issued in settlement of the unpaid claims mentioned above are shown by the records to have been received at the Freedmen's Bureau at various dates extending back to May, 1867. In addition to the sum of $726,842.11, as stated above, there is the sum of $31,078.03 transferred as being due to certain claimants *borne upon the records as paid*, and with which amount the accounts of the late disbursing officer of the Bureau have probably been credited at the Treasury. Complaints have been made that claimants have not received from the late Bureau their bounties, rations, or aid, &c. The treasury accounts of the Bureau disbursing officer show payment to have been made, and there is reason to believe that claimants have been defrauded extensively of the said money."

Investigations into irregularities connected with the management of the retained bounty fund and the payment of moneys due to colored soldiers, sailors and marines, are still being prosecuted by the Adjutant-General's office. Irregularities are discovered almost daily, and large sums of money have been paid on fraudulent claims. These investigations by the Adjutant-General's office, together with developments which have been made from time to time during the past five years, establish beyond controversy the fact that the Howard University was a swindling enterprise from beginning to end. Although five hundred and twenty-eight thousand dollars of Government money was illegally invested for the benefit of this institution, it is to-day almost bankrupt; and is only maintained by the closest economy and a large reduction in its corps of teachers. About two hundred and twenty thousand dollars were originally invested in real estate attached to the University, and of this there remains for that institution a very small quantity, the balance having gone in various ways into the hands of speculators connected directly or indirectly with the Freedmen's Bureau, of which Howard was the head and front.

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HOWARD AGAIN WHITEWASHED.

The facts developed in regard to the management of the retained bounty fund, the moneys due to colored soldiers, sailors and marines by the Adjutant-General's office so directly implicated Howard with outrageous frauds, which had been practiced upon the unfortunate negroes as well as upon the Government, that the President was forced, although much against his inclination, to order a Court of Inquiry to investigate the matter. The majority of this Court, as constituted, consisted of officers so connected with Howard in the past that it was not possible for them to render an impartial finding. The result was what it was predicted it would be at the time the Court was constituted, although a minority held Howard to be guilty of embezzlement. The finding of the Court was reviewed by the Judge-Advocate-General of the Army, Gen. Joe Holt, who held, in an able and exhaustive opinion, that the majority had clearly erred; and further said, that the construction of the law and army regulations by the majority of the Court was in direct conflict with an unbroken line of decisions.

The Freedmen's Savings Bank, which was incorporated contemporaneously with the Freedmen's Bureau, has a history still more shameful than that we have outlined above. The Hon. W. S. Stenger of Pa., in a speech made in the House of Representatives on June 21, 1876, narrated in so graphic a manner, and in such a chaste and simple style, the main incidents connected with the origin, operations and present lamentable condition of this institution, which was designed by its putative fathers for the most beneficial purposes, that we will adopt his language. Mr. Stenger said :

"OUT OF A SPIRIT OF TRUE PHILANTHROPY."

"Out of a spirit of true philanthropy Mr. Sumner, on the 17th day of February, 1865, reported the bill by which the Freedmen's Bank was called into being, and on the 3d day of March following it became a law. He did not frame the bill, and is, therefore, not responsible for its defects or omissions. Large numbers of colored men had served in the Union Army, many of them as gallant soldiers, and had saved portions of their pay and bounties. They were entirely unfitted to make safe and remunerative investments of their money. Here was a proposition to render them necessary assistance, by providing a depository where their funds could be received and invested for their benefit 'in the stocks, bonds, Treasury notes, or other securities of the United States.' It was a lofty and a laudable purpose, It was calculated to encourage the freedman to the exercise of industry, so that he might make money, and to the practice of frugality, so that he might husband his resources, and thus provide for the wants of himself and family against the coming of old age, sickness, and death. And with this purpose Mr. Sumner could not but feel the heartiest sympathy. In the short debate in the Senate on the bill, he characterized it 'as a simple charity.' He ingrafted upon it an amendment requiring the officers of the bank to give security. But it never occurred to him that it was necessary to inspect, line by line, a bill that had been placed in his hands by men known as the professed, zealous friends of the freedmen. He never dreamed that there might be a predetermination on the part of these men to abuse the great trust then about to be placed in their hands. Had such a thought occurred to him I do not doubt that additional restrictions would have been imposed, and some very important provisions added.

But, sir, devilish cunning and ingenuity played their part, and played it well, in framing this act of incorporation. There were men who saw in this project a golden opportunity to make money for themselves. The act is not only remarkable on account of some provisions which it contains, but on account of certain other very necessary provisions which were left out ; and from the results which followed its passage, towards the accomplishment of which some of the active originators and promoters of the enterprise contributed so largely, it is not too uncharitable to believe that they framed it with a view to the attainment of their own selfish purposes.

"TAKE SOME ILLUSTRATIONS."

Take some illustrations. In the charter fifty gentlemen, most of them men of high character for integrity and business capacity, were named as corporators and first trustees of the corporation. This was intended to commend it to the support of the colored men, the names of these eminent business men apparently

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affording a perfect guarantee for a safe, prudent, and lucrative management of the institution. Among these names was that of William Cullen Bryant, whose journal, published in New York, recently commenting on the report of the committee investigating the Freedmen's Savings and Trust Company, said :

'Unfortunately, it is an unquestionable fact that the money of the depositor is gone, while it is as true that, with proper management, it would have been saved for them. As to its misappropriation, we believe that the Committee is unanimous. Assuming the account to be exact, it is to be regretted that there is not some new and unique term to describe this meanest of swindles. and some special and exquisite punishment for the rascals who are guilty of it.'

But the extraordinary provision was inserted that nine of the fifty trustees 'shall form a quorum for the transaction of business at any regular or adjourned meeting of the board of trustees,' and the affirmative vote of seven members was declared sufficient to make 'any order for, or authorizing the investment of, any moneys, or the sale or transfer of any stock or securities, belonging to the corporation, or the appointment of any officer receiving any salary therefrom." This was a crafty device, which looked to the formation of an unscrupulous ring that could fatten upon the small earnings of the confiding negroes.

Again, this charter, as originally framed, contemplated the widest possible stretch of territory for the operations of the company. It did not mean to be hemmed in by any sort of inconvenient limitations. Its missionaries were to be commissioned to go into all the States of the Union, and, while proclaiming themselves as the deliverers of the bondmen and teaching the latter 'to toil and to save,' to gather in their little savings, so that the ring might have immense sums upon which to speculate and grow rich. But a timely objection made by several Senators—one a distinguished gentleman from my own State [Mr. Buckalew]—prevented such a monstrosity from becoming a law, and compelled these missionaries, if they should see fit to cover such a wide range of territory, to do it in violation of law. The history of this legislation is interesting, not only as showing the extent of the powers conferred upon the corporation, as understood by the Senate and House, but also as showing a juggle or trick by which the charter was illegally procured and the freedmen deprived of the services and protection of one of their warmest and stanchest friends. It shows that the act was conceived in fraud and brought forth in iniquity.

LEGISLATIVE JUGGLING.

The bill, as reported to the Senate, provided that fifty gentlemen, whose names were given 'and their successors, are constituted a body corporate, by the name of the Freedman's Savings and Trust Company, and by that name may sue and be sued in any Court of the United States.' When the bill was under consideration in the Senate, on the 2d of March, 1865, the following remarks were made. I quote from the *Congressional Globe, vol.* 55, *page* 1311 :

Mr. BROWN. I move to dispense with the reading. Let the Senator state whether it is an ordinary Savings Bank charter.

Mr. SUMNER. It is an ordinary Savings Bank charter, and its character is indicated in its title, to incorporate the Freedman's Savings and Trust Company.

Mr. POWELL. No extraordinary privileges ?

Mr. SUMNER. No extraordinary privileges, and its object is a simple charity.

Mr. BUCKALEW. I have read the bill ; it is in proper form, and the only question is whether we ought to establish such an institution outside of the District of Columbia.

* * * * * * * *

Mr. POWELL. I find by the reading of that bill that it is a roving kind of commission for these persons to establish a Savings Bank in any part of the United States. I think the bill is wholly unconstitutional. I do not believe Congress has any right to establish a Savings Bank outside of the District of Columbia.

Mr. SUMNER. Very well, let it be limited to the District. Let the amendment be made by inserting after the words 'body corporate,' in the nineteenth line of the first section, the words 'in the District of Columbia.' That is precisely the amendment which was made last night in the bill founding the asylum.

The amendment to the amendment was agreed to.

* * * * * * * *

The bill was reported to the Senate as amended, and the amendment was concurred in.

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The bill was ordered to be engrossed for a third reading, and it was read the third time and passed.

On motion of Mr. Powell, its title was amended by the addition of the words 'in the District of Columbia.'

THE AMENDMENT DROPS OUT.

On the following day the bill was called up in the House, and, strange to say, did not contain the amendments suggested by Mr. Sumner and Powell, and incorporated in it by the Senate, as is shown by the following remarks made in the House. I read from the *Congressional Globe*, vol. 55, page 1403 :

'Mr. GANSON. I would ask where this bank or association is to be located ?

Mr. ELIOT. In Washington City.

Mr. GANSON. It is not so stated in the bill.

Mr. ELIOT. That is an error. Then I ask unanimous consent to insert after the words 'body corporate' the words 'in Washington City, District of Columbia.'

No objection was made, and the amendment was adopted.

Mr. GANSON. I think there should be among the corporators the name of some person in this District.

Mr. ELIOT. I move to amend by inserting the name of Salmon P. Chase among the trustees.

No objection was made, and the amendment was accordingly agreed to.

The bill was then ordered to be read a third time ; and was read a third time, and passed.'

The bill thus amended was never sent back to the Senate for concurrence in the amendments made by the House, but the *Congressional Globe*, vol. 55, page 1369, contains this statement :

'The message further announced that the House of Representatives had passed the bill of the Senate (S. No. 443) to incorporate the Freedman's Savings and Trust Company.

It said nothing about the amendments.

SOMEBODY WAS AROUND.

It will be thus seen that there was somebody about who was engineering the bill, and who dared to fix it according to his own wishes by unceremoniously and summarily dropping the words added to the title by the Senate, and entirely disregarding the wishes of the House as to Mr. Chase. And the law is published in the statute books without the words 'in the District of Columbia' in the title, and without naming Mr. Chase as one of the trustees, Thus a mammoth corporation was brought into being through trickery and fraud, with fifty corporators and trustees named, ostensibly to do business in the City of Washington, and not a single one of its corporators residing within the District limits. As Mr. J. W. Alvord and General O. O. Howard were the 'originators' of the bank, it might be well for them to explain the process by which these unsatisfactory amendments were lopped off, and why the name of Mr. Chase was not allowed to appear among the trustees of an institution in whose welfare he could certainly have been expected to take the liveliest interest, and to whose success he could have contributed so largely.

But in addition to all this there was an entire omission to provide in the bill for the punishment of faithless officials. It visited no pains or penalties upon those who should be guilty of fraud, embezzlement, or any sort of malfeasance in office, and when defalcations were disclosed and the faithlessness of officials was brought to light, there was no statute adequate to their punishment. In other words, the law was framed to permit the practice of all kinds of roguery upon the colored people, and to permit the scoundrels who practiced it to go free. It is true that in 1874, when the bank was tottering to its fall, legislation looking to the punishment of the criminals was enacted, but, even under that, only two or three of the many rascals who ought to be now looking out from behind the cross-bars of penitentiary doors have been convicted.'

WALK INTO MY PARLOR &C.

Such was the mode of procurement and such was the composition of the charter that was soon heralded to the world as calculated to shower innumerable and inesti-

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mable blessings upon the freedmen. A movement was immediately set on foot to bring the institution to the attention of all the colored people of the South. The principal office, without any shadow of warrant for it in the charter, was established in New York, and remained there until 1867, when it was removed to Washington. Agents were sent down among these credulous people to excite their interest and solicit their small sums of money for deposit. The Freedmen's Bureau, authorized on the same day that the bank was chartered, had its agents also in the South, who 'worked up' the interests of the bank as they visited the freedmen. Branch banks, to the number of thirty-four, were established at various places in the South, ostensibly for the convenience of the freedmen in making their deposits, but in reality for the convenience of the managers in collecting the money for transmission to the Washington office. The establishment of these branches was a signal violation of the charter. There can be no warrant for them in the act of incorporation except by the most preposterous construction, and in the course of our examination no one has been found bold enough to attempt to find it. These trusting negroes were to believe that the Government of the United States would be responsible for the payment of their deposits; that, if through any mismanagement, or accident, or fraud, the bank should fail, the depositors could fall back upon the Government and collect every dollar of their money with the interest accrued thereon. On this point I quote the testimony of Anson M. Sperry, who has been in the continuous service of the bank, since its organization, in various capacities, among others as its inspector from 1871 to 1874, a most intelligent, and, in my judgment, reliable witness:

Question. Do you know whether at Vicksburg, or any other branch, the inducement was held out to depositors to deposit in that bank because it was a Government institution? Answer. I think it was.

Q. That inducement was made to induce persons to deposit; that it was a Government institution, and that the Government was bound to the depositors? A. Yes; I cannot say specially at Vicksburg, though I think that that foolish policy was adopted there.

Q. Did they not represent that the deposits made by individuals would be guaranteed by the Government of the United States? A. I think they did, but I will qualify my answer by saying that I am not certain as to Vicksburg, though I think so. But of this I am certain, that you will find on many of the pass-books of the New York branch these words, in English, French, and German: 'The Government of the United States has made this bank perfectly safe.'

Q. You say that that will be found on many of the pass-books? A. Yes. I wanted to raise this question before the Committee because it is important, and it relates to the history of the institution. I do not think our more judicious cashiers ever adopted that phrase.

"LITTLE BY LITTLE," THE NEGROES WERE FOOLED.

True, the 'more judicious cashiers' never did adopt that phrase, but a little pamphlet was prepared containing the charter and by-laws of the bank and distributed among the freedmen, which contained this statement:

The whole institution is under the charter of Congress, and received the commendation and countenance of the President, Abraham Lincoln. One of the last official acts of his valued life was the signing of the bill which gave legal existence to the bank.

It needed only a reference to the martyr-President who has signed the act of emancipation to inspire the utmost confidence. Everything that the wits of these people, sharpened by the whettings of their infernal avarice, could suggest, was resorted to for the purpose of drawing money from the freedmen's pockets. The 'Christian soldier,' General Howard, was then loud in his professions of love for the negroes, and his certificate was sent out as follows:

'I consider the Freedmen's Savings and Trust Company to be greatly needed by the colored people, and have welcomed it as an auxiliary to the Freedmen's Bureau.

O. O. HOWARD,
Major-General.'

The colored people were entreated to practice industry and frugality. It was a matter of importance to put these appeals in a form that would attract and car-

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ry conviction to their uneducated minds, and hence this rhyme, the poetry of which is no better than the morality of its authors:

'Tis little by little the bee fills her cell,
And little by little a man sinks a well;
'Tis little by little a bird builds her nest;
By little a forest in verdure is drest;
'Tis little by little great volumes are made;
By little mountains or levels are made;
'Tis little by little an ocean is filled,
And little by little a city we build;
'Tis little by little an ant gets her store;
Every little we add to a little makes more;
Step by step we walk miles, and we sew stitch by stitch;
Word by word we read books, cent by cent we grow rich.'

HOW THE PHILANTHROPISTS PROFITED.

It turns out that these lessons of industry and frugality were taught to the negroes so that managers of the bank at Washington might live in laziness and luxury on the proceeds of their labor, and 'grow rich' upon the 'cent by cent' saved by the self-denial of the freedmen.

By these and other means, which I have not time to enumerate, the confidence of the freedmen was secured to such an extent that, as shown by the books of the bank, in the nine years of its existence its deposits amounted to $56,000,000. The vast bulk of this money was sent to the principal office at Washington. The whole South was drained of its money, and it went into the custody of the men in charge of the office here. True, a pretended power was given to and exercised by some of the branches to loan out money for the alleged purpose of accommodating the freedmen, but it is notorious that those branches were in charge of men who either loaned the money to the relatives or favorites or stole it themselves, so that the freedmen derived no benefit from them. In this connection I quote from a speech made on this floor March 2, 1875, by the gentleman from South Carolina [Mr. RAINEY], who, I take pleasure in saying, has manifested a marked interest in this investigation affecting the rights of the people of his own race. He says:

'It must not be lost sight of that at the time these sums were forwarded to the principal bank at Washington the depositors in the Southern States invariably believed that the moneys so deposited by them were subject to their order, as per rules and regulations governing the branch bank, and if sent to the present bank, it was for the purpose of being guarded with greater security or invested to better advantage. But, alas! they were deceived.

'The suffering to which the poor creditors have been subjected is heart-rending in the extreme. Both their aged and their young have been deprived of the ordinary necessities of life; their sick could not be cared for, nor their dead decently interred by them nor by benevolent societies, because all their gathered funds had been swallowed up in this gulf of destruction.

'Parents and guardians could not send their children or wards to school, because they had not the means to buy them comfortable clothing. Truly the distress has been alarming, starvation and destitution being threatened on every hand, and in many instances their little homesteads sold from over their heads.'

It needs no additional words of mine to depict the distress which has come upon these unfortunate and betrayed people.

THE MILLIONS THAT ARE NOT IN IT.

The last report of the commissioners of the bank shows that its total liabilities on the 31st day of December, 1875, were $4,004,875.62, of which the amount due to colored depositors was $2,992,033.55. Preferred claims, amounting to 48,180.71, have been paid, and on the balance, to wit, $2,956,694.91, a dividend of 20 per cent. has been declared. When this dividend shall have been paid, there will remain due to the creditors $2,365,355.93, to be paid out of the assets remaining after the dividend was declared. I cannot see, sir, how it is possible for the remaining assets to be made to realize enough to bring the final losses of the freedmen below $1,500,000, and it is more likely, in my judgment, that they will be compelled to suffer to the extent of $2,000,000.

In these days, when stock and gold gamblers make hundreds of thousands of

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dollars in a single venture, in a single day, this sum may seem small to the millionaires of Wall street; but when it is remembered that it represents the hard earnings and small savings of seventy thousand poor colored people, just released from slavery, and looked upon as 'the wards of the nation,' this sum of a million and a half or two millions outweighs in importance all the wealth of the Rothschilds.

Now, Mr. Chairman, how has this money been lost, and where does the terrible responsibility for its loss rest? These questions will necessarily be answered together as the history of these losses is unfolded.

A portion of the money was embezzled or stolen in the branch banks. These defalcations, discovered at the following branches, are shown to be as follows:

Charlestown, South Carolina	$3,300
Atlanta, Georgia	8,000
Beaufort, South Carolina	10,000
Mobile, Alabama	5,081
New Berne, North Carolina, from $2,250 to	2,750
Wilmington, North Carolina	2,416
Nachez, Mississippi	1,125
Lynchburg, Virginia	900
Jacksonville, Florida	1,000
Lexington, Kentucky	5,000

SOME OF THE DEFICITS.

This statement discloses the actual defalcations of the persons in charge of ten of the branches. But it does not embrace the losses incurred in the branches by loans upon insufficient securities. Mr. Sperry says, 'the latest report from the Commissioners' agent, Mr. Lockwood, is that at Jacksonville the company will probably lose $100,000 out of the $150,000 or $160,000 that was put out there." At Beaufort 'the amount of the loans, I think, was between $135,000 and 145,000, of which $100,000 may safely be set down as lost.' At Vicksburg loans were made to the amount of $11,000, which the witness regards as a clear loss to the bank. At Wilmington, North Carolina, overdrafts were allowed to the extent of $28,000, which have not been paid. In the Washington branch there is a discrepancy of $40,000 which is utterly incapable of explanation. Many of the bonds taken from the agents in charge of these branches were informal, so that they could not be enforced, or, if regular in form, were utterly worthless on account of the irresponsibility of the sureties.

The real responsibility, however, for all these defalcations and losses on loans rests upon the the shoulders of those who had charge of the principal office in Washington, who established these branches without authority of law and in open violation of the charter.

SHAMELESS FRAUDS UPON THE NEGRO.

But these losses, important as they may seem, are utterly insignificant compared with those sustained by reason of the irregularities and frauds practiced in the principal office at Washington. Here it was that the men intent on plunder found and tilled the richest field. I venture the assertion that the history of all the banks in America does not disclose a record of such shameless disregard of law and wanton violation of rights as does the history of the principal office of the Freedmen's Savings and Trust Company. Here, in the American Congress, I arraign at the bar of public opinion the men who have heartlessly speculated upon, misused, squandered, and sunk the hard earnings of a helpless race of people, whom they were hypocritically pretending to befriend. And I cannot but think it strange that successive Congresses, containing large majorities of those who claimed to be the only true friends of the colored people, should not have taken sufficient interest in their welfare, and watched the operations of those in charge of this company, so as to have prevented this terrible abuse of a sacred trust, and the consequent shameful plunder of the freedmen. The charter provided that the 'books of the corporation shall at all times, during the hours of business, be open for inspection and examination to such persons as Congress shall designate or appoint,' but no such persons were appointed. This failure on the part of these pretended guardians to exercise the necessary vigilance for the thorough protection of these people is in the highest degree reprehensible.

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But when it is taken into account that the legislation enacted by Congress helped to facilitate the swindling operations of the ring, words are powerless to express the enormity of their conduct.

From the time the principal office was opened in Washington down to the day when the bank closed its doors, its affairs were under the most exclusive management of the Finance Committee and the actuary, the latter officer corresponding to a cashier in other banks. The Board of Trustees seem to have virtually delegated or surrendered their powers to the Finance Committee, and the latter conducted the operations of the bank to suit their own convenience, pleasure, and profit.

During the period of the grossest maladministration of the affairs of the bank this committee consisted of Henry D. Cook, William S. Huntington, Lewis Clephane, J. M. Brodhead, and Le Roy Tuttle. J. W. Alvord, as President of the bank, was President *ex officio* of the committee and presided over its deliberations, except when 'the majority of the committee acted upon the street,' as he puts it in his testimony. Messrs. Brodhead and Tuttle seem to have been passive instruments in the hands of the others, and the only blame that attaches to them is that they did not open their eyes and look into what was going on around them.

THE PRESIDENT OF A BANK AS A STOOL PIGEON.

Mr. Alvord pleads utter helplessness to avert the evils that finally came upon the bank because he was not allowed to vote; but his plea is not sound. He was the President of the bank, the highest official in charge of the moneys of the freedmen. His judgment told him, according to his own statement, that these moneys were being irregularly loaned and otherwise used. He said that he discountenanced and disapproved of many of the investments of the committee. But he kept his mouth shut. While the work of converting United States bonds into money and investing that money in the bonds of companies of doubtful character was going on; while the perversion of what was known as the 'available fund' was in progress; while the charter was being violated also by the taking of real estate securities of insufficient value, he gave no sign to the freedmen, whose entire earnings were thus being swallowed up before his open eyes, and all the while he was the salaried guardian, the paid watchmen of the freedmen's interests.

It seems to be too true that he and the remaining three members of the Finance Committee, Henry D. Cooke, William S. Huntington, Lewis Clephane, and the two actuaries, D. L. Eaton and George W. Stickney, inside of the bank, and Alexander R. Shepherd, Hallet Kilbourn, John O. Evans, J. V. W. Vanderburg, and others, outside of the bank, formed a ring, by the operations of which, at times and in ways without number, money was procured from the bank on worthless or insufficient securities, or on no securities whatever, to be used in hazardous enterprises and profitable speculations by members of the ring.

JAY COOKE'S HOLD ON THE FREEDMEN'S HARD EARNINGS.

Henry D. Cooke was a member of the firm of Jay Cooke & Co. and President of the First National Bank of Washington at the same time that he was President of the Finance Committee of the Freedmen's Bank; Huntington was cashier of the First National Bank while a member of this committee. Prior to the erection of the Freedmen's Bank building the money of the freedmen was deposited in the First National; and when United States bonds were bought or sold, ostensibly for the benefit of the Freedmen's Bank, they were bought or sold by the First National or Jay Cooke & Co., and the Commissioners went to them. The control of the freedmen's money was a matter of very considerable interest to Mr. Cooke on this account; but when it became important to sell large numbers of Central Pacific or Union Pacific, or to 'kite' Northern Pacific bonds, it was still more convenient to have the money of the freedmen at hand with which to buy them. A wholesome effect could thus be produced upon the stock on bond market for the benefit of the two banking institutions in which Mr. Cooke had such a large interest.

DEVICES, INGENIOUS AND OTHERWISE.

Let us note some of the devices, ingenious and otherwise, that were resorted to in order to open the door for investments that were not contemplated by the charter. The fifth section of the act of incorporation provided that the invest-

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ments of the moneys of the bank should be 'in the stocks, bonds, Treasury notes, or other securities of the United States.' The Board of Trustees, deferring to the judgment of the Finance Committee, asked this question of the latter:

'Are Pacific Railroad bonds a security contemplated by the charter?'

And Messrs. Cooke, Huntington, and Clephane, answered:

'Pacific Railroad bonds are not a security contemplated in the charter, but the Government bonds issued to the company are within the meaning of the law.'

Accordingly, soon afterward follows a large sale of United States bonds through the agency of Jay Cooke & Co., on which that house got its commission and the minutes show the purchase, at the dates given, of the following amounts of Pacific bonds:

June 8th, 1868, Union Pacific	$15,000
June 23, 1868, Central Pacific	40,000
October 8th, 1868, Central Pacific	300,000
February 17th, 1869, Union Pacific	100,000
April 30th, 1869, Union Pacific	200,000
May 4th, 1869, Union Pacific	50,000

This shows an investment of the $705,000 of the money of the freedmen in these bonds within eleven months.

THE "AVAILABLE FUND."

But the recklessness of the Finance Committee is shown in another instance. I call the special attention of the House to the matter. The sixth section of the charter provided that one-third of the deposits was to be kept as an 'available fund to meet current payments of the corporation, and might be 'left' on deposit at interest, or otherwise, or in such available form as the trustees may direct.' In June, 1868, it was proposed to set apart $50,000 of this 'available fund' to be loaned on real estate. This was before the charter was amended so as to allow loans upon real estate to be made out of the other two-thirds of the deposits. But Mr. Cooke, as chairman of the Finance Committee, wrote a letter, which will be found incorporated in the minutes of the company, dated June 30th, 1868, in which he gave a very just and sensible construction to this clause of the charter. He denied the powers to invest in real estate, and said:

'My understanding of the clause is that it authorizes the leaving of a certain sum on deposit, which deposit may draw interest or otherwise, but it must be always subject to check at sight; and I think a careful reading of the clause will justify this interpretation.'

One would have thought that this 'available fund' would certainly have been safe from attack at the hands of a committe that had such a clear and correct understanding of the charter. But we find this entry in the minute-book:

'JANUARY 13, 1870.

'Committee met at banking-house of H. D. Cooke.

'The question under consideration was the recommendation to the board of the right to loan, under section 6, a portion of the idle funds now on deposit.

'It was decided so to recommend.

'D. L. EATON, *Actuary.*'

MONSTROUS WASTE.

And between that date and the 7th of the following month the sum of 99,593.43 was loaned out to various persons on all manner of securities not recognized by the charter, the same Finance Committee authorizing or ratifying the loans. This was the inauguration of an abuse which soon assumed monstrous proportions and has been a fruitful source of woes to the colored people. The barriers once broken down the door was thrown, wide open, and out from the vaults of the bank went hundreds of thousands of dollars of the freedmen's money upon so-called securities, that no prudent man of business, managing his own affairs, would have consented to buy at any price; and which remain to-day in the hands of the Commissioners, utterly worthless, to tell the story of the flagrant outrages thus perpetrated upon these defenseless people.

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Indeed, so utterly regardless of the charter and of their former construction of it did Mr. Cooke and the Finance Committee become, that on the 9th day of May, 1871, we find them making a special report and argument in behalf of the proposition that the Freedmen's Bank should become an agent for the sale of Northern Pacific Railroad bonds, in this extraordinary mode: the bank to pay par for the bonds and sell them if it could, for which it was to receive a commission, and to take the guarantee of Jay Cooke & Co. to buy them back within one year if not sold. This seems so surprising that, lest we should be thought to be dealing in fiction, we produce the words of Mr. Cooke himself, which, when read in the light of our present knowledge as to the value of these bonds, cause us to wonder by what strange streak of good fortune the bank was saved from being totally ingulfed in this yawning whirlpool. It is clear that on the 7th day of February, 1871, $50,000 of these Northern Pacific bonds were bought for the bank, and then the question seems to have arisen, according to the minutes, as to whether they should be bought or not. There was a considerable commotion about it, and the Board of Trustees passed a resolution May 3, 1871, 'doubting the expediency of investing $50,000 in these bonds.' Then came Mr. Cooke's special report on the 9th of the same month, in which he thus expresses the judgment of the Finance Committee:

MORE WORTHLESS BONDS.

The second resolution, as to the investment of the company in the bonds of the Northern Pacific Railway:

'In investing its "available funds" the actuary found this state of facts: On the 7th of February, the day on which this purchase was made, the lowest priced 6 per cent. United States bond in the market was the 5.20 coupon bond of 1865 or 1867, 109½. This bond of 109½ pays the investor 5 4-10 per cent. So that the Northern Pacific Railroad bond at 100 pays 7 3-10 per cent. So that the Northern Pacific Railroad bond is better by 1 9-10th per cent.

Further: The actuary, with the consent of the Finance Committee and the board [of trustees] in full session, bought the bonds for sale; and the conditions were that we receive 3½ per cent. commission in cash, and 3½ per cent. in stock for all bonds disposed of, so that this company realizes actually in cash 5 4-10 per cent. more than on the best investment in Government bonds; and in addition thereto, 3½ per cent. in stock of the Northern Pacific Railroad Company for all bonds sold.

The only question, therefore, is: Are these bonds safe? In answer to this we show that written guarantee of Messrs. Jay Cooke & Co. to redeem them on demand at any time within one year from date of purchase at same rates we gave for them.

It was these considerations of profit and of safety, abundant, as it seemed to the committee, which led to the investment in question, and they are still of force in their minds. As to the other statements of the resolution, touching the character of the bond itself, namely, "that the road is but begun, and may not for years be able to pay any interest out of its earnings," we would respectfully state that the [N. P. R. R.] company has already six hundred miles of road in operation; that nearly three hundred miles of track have been laid during the three hundred days which have elapsed since the commencement of work upon the road; that the company is endowed by Government with grant of land amounting to over fifty millions of acres, worth at Government rates over $150,000,000, from the sale of which ample provision is made for the payment of the interest and [the] principal of the bonds, in addition to the security given by the road, its equipments, and all the property and franchise of the company.'

These bonds were thus foisted upon the bank by this man, who had a large and direct pecuniary interest in the Northern Pacific Railroad, and although one of the commissioned and trusted guardians of the freedmen, he took money to pay for them from the 'available fund,' which he, as we have shown, had construed to be a fund 'always subject to check at sight.'

ANOTHER ILLUSTRATION OF FAITHLESSNESS.

Another illustration of the faithlessness of the officers of the bank is furnished by their action with reference to the bonds of the Maryland Freestone Mining and Manufacturing Company. This corporation has become somewhat notorious throughout the country as the 'Seneca Stone Company.'

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A tract of land, containing some six hundred acres, situate in Montgomery County, Maryland, was bought by Henry D. Cooke, Henry H. Dodge, and John L. Kidwell, from one Thomas Peters, for $70,000, and improvements were made thereon involving the expenditure of an additional sum of $50,000.

The whole amount of the investment was about $120,000. The land contained quarries of the Seneca stone, and these enterprising gentlemen procured a charter from the State of Maryland and organized the corporation whose name I have given. They caused five thousand shares of stock, each share of the par value of $100, to be issued, as follows :

Henry D. Cooke	1,664 shares.
Henry H. Dodge	1,663 shares.
John L. Kidwell	1,663 shares.
James Heath Dodge	5 shares.
Thomas Anderson	5 shares.

The final success of the corporation depended upon the market that could be established or the demand that could be created for the stone to be taken from the quarries. To make this market and create this demand it was thought necessary to enlist the influence of men of prominence in political, military, social and business circles, so that this company might furnish large quantities of stone for the erection of private residences, and more particularly for public buildings in the District of Columbia. The effort was therefore made to 'put the stock where it would do the most good,' and its recipients embraced persons of every branch of the public service and in all kinds of private business enterprises. It may be a matter of curiosity as well as interest and profit to examine the list of stockholders herewith furnished :

List of original stockholders in the Maryland Freestone Mining and Manufacturing Co.

Dates.	Number of certificates.	Number of shares.	Names.
November 21, 1867	1	930	Henry D. Cooke.
November 21, 1867	2	734	
November 21, 1867	3	930	John L. Kidwell.
November 21, 1867	4	733	
November 21, 1867	5	930	Henry H. Dodge.
November 21, 1867	6	733	
November 21, 1867	7	2	J. Heath Dodge.
November 21, 1867	8	3	
November 21, 1867	9	2	Thomas Anderson
November 21, 1867	10	3	
Total		5,000	

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List of stockholders as they at present appear upon the books, and as they were transferred by Messrs. Cooke, Kidwell, and Dodge, subsequently.

Date, Names, and Shares.		Date, Names, and Shares.	
Nov. 22, 1867, B. B. French	200	Feb. 2, 1872, J. C. Kennedy	25
Nov. 22, 1867, William H. Seward	200	Feb. 2, 1872, J. C. Kennedy	30
Nov. 22, 1867, U. S. Grant	200	Feb. 2, 1872, J. C. Kennedy	20
Nov. 22, 1867, J. K. Barnes	200	Feb. 2, 1872. J. C. Kennedy	10
Nov. 22, 1867, Caleb Cushing	200	March 9, 1870, Joseph L. Savage	80
Jan. 21, 1870, U. S. Grant, (div'd)	120	March 30, 1870, Mrs. M. W. Lynde	40
Jan. 21, 1870, Caleb Cushing, (div.)	120	Aug. 18, 1870, Wyman Crow and Ed. C. Cushman	160
Jan. 21, 1870, B. B. French, (div.)	120	Dec. 1, 1870, H. A. Risley	150
Jan. 21, 1870, E. B. Washburne, (div'd)	120	Dec. 19, 1870, Thomas B. Bryan	320
Jan. 21, 1870, R. J. Dobbins	240	March 12, 1872, Thomas B. Bryan	40
Jan. 21, 1870, W. S. Huntington	60	March 24, 1871, J. W. Pilling	10
Jan. 17, 1868, E. Washburne	100	March 24, 1871, J. W. Pilling	10
May 5, 1868, E. B. Washburne	100	March 24, 1871, J. W. Pilling	10
May 2, 1868, R. J. Dobbins	200	March 24, 1871, James C. Pilling	10
March 1, 1870, R. J. Dobbins	40	April 12, 1871, Mrs. Chr. L. Burnett	160
Oct. 20, 1869, F. T. Dent, (div'd)	100	April 12, 1871, N. W. Burchell	10
April 30, 1870, F. T. Dent, (div'd)	40	April 13, 1871, Lewis Johnson & Co.	50
Oct. 20, 1868, Mrs. H. L. Dent, (div.)	100	July 22, 1871, Riley A. Shinn	100
April 30, 1870, Mrs. H. L. Dent, (div'd)	40	Dec. 12, 1871, Charles A. Nichols	50
Dec. 3, 1868, W. S. Huntington	100	March 12, 1872, Mrs. Maria V. Brown	125
Feb. 28, 1870, Caleb Cushing	3.5	March 12, 1872, R. T. Merrick	2
April 14, 1874, J. K. Barnes	60	March 12, 1872, W. F. Mattingly	2
Jan. 2. 1869, W. B. Love	3	March 15, 1872, W. G. Metzerott & Co	2
Jan. 21, 1870, Wm. B. Love	1.8	March 22, 1872, Watkins Addison	5
Jan. 2, 1869, C. H. Hayden	30	March 22, 1872, Watkins Addison	5
Jan. 21, 1870, C. H. Hayden	21	March 22, 1872, Charles E. Mix	5
Feb. 17, 1869, J. A. Wills	100	March 22, 1872, R. P. Dodge	8
Jan. 21, 1870, J. A. Wills	60	March 28, 1872, J. V. N. Huyk	1
Jan. 25, 1869, W. B. Boggs	100	Dec. 21, 1872, J. V. N. Huyk	2
Jan. 21, 1870, W. B. Boggs	60	April 3, 1872, Evan Hughes	2
June 25, 1869, J. L. Kidwell	544	Nov. 13, 1872, Evan Hughes	12
Oct. 31, 1869, J. L. Kidwell	2	May 9, 1873, Evan Hughes	14
April 14, 1874, J. L. Kidwell	217.6	Dec. 19, 1872, A. H. Seward	80
July 13, 1869, E. D. Townsend	50	Dec. 19, 1872, F. H. Seward	80
Jan. 21, 1870, E. D. Townsend	30	Dec. 19, 1872, William H. Seward	80
July, 13, 1869, Robert, Williams	150	Dec. 19, 1872, Olive Risly Seward	80
Jan. 21, 1870, Robert Williams	90	Jan. 6, 1873, Francis Dodge	9.3
Jan. 21, 1870, H. R. Hubbard	120	Jan. 20, 1873, George Peter	4
June 2, 1870, H. R. Hubbard	100	May 9, 1873, Huyk & Addison	12
June 2, 1870, H. R. Hubbard	100	Aug. 22, 1873, J. H. Cochrane	80
Feb. 2, 1870, H. D. Cooke	468	Aug. 22, 1873, Enoch Totten	50
Sept. 27, 1870, H. D. Cooke	235	Aug. 22, 1873, Enoch Totten	50
April 15, 1871, H. D. Cooke	80	April 14, 1874, F. W. Jones	10
Jan. 20, 1873, H. D. Cooke	160	May 26, 1874, Edwin M. Sems, (trust estate of Jay Cooke & Co.)	400
May 20, 1873, H. D. Cooke	46	April 14, 1874, J. W. Alvord	10
Aug. 27, 1873, H. D. Cooke	100	Nov. 10, 1874, W. V. Brown, jr.	4
Jan. 2, 1874, H. D. Cooke	2		
Feb. 28, 1870, J. C. Kennedy	75		
March 1, 1870, J. C. Kennedy	80		

It will be remembered that Henry D. Cooke was one of the originators of this company, the largest owner of its stock, and the leading spirit of the Finance Committee of the Freedmen's Bank. On the 26th day of April, 1871, the Board of Trustees of the bank adopted this resolution, and referred it to the Finance Committee:

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'*Resolved*, That the company ought not to loan its funds upon mining and manufacturing stocks or bonds ; and that the loan of that nature now existing ought to be called in as soon as it may be.'

To this resolution the Finance Committee, through Henry D. Cooke, made the following answer :

Special Report Finance Committee.

'First resolution: The Committee beg leave to state respectfully that with the general proposition in this resolution they are in full accord. This case is, however, exceptional. First (in that), the Maryland Mining and Manufacturing Company is a well-known and solvent company, established and doing business in this city ; its business is profitable ; it is earning dividends ; and its stocks and bonds are both well known, and have ready sale in this market ; that it has real estate to the amount of six hundred acres of land, the farm thus constituted being one of the most productive and profitable in the State of Maryland.

The machinery and buildings in use as their works have cost over $200,000, and the latter would sell for three-fourths of its original cost for use in any other quarry, even if it [they] were no longer needed for this ; that the fifty-seven thousand dollars' worth of bonds of this company, which are held as collateral for this loan of the Freedmen's Savings and Trust Company ($27,000), are really a first-mortgage bond, secured upon all this real estate and other property ; that the whole issue of bonds is not equal to more than one-third [of] the value of the property, and therefore the loan itself comes fully within the stipulation of the charter of the bank, to wit : a loan on real estate to the extent of one-half the value thereof ; or even if this were not true, the loan comes fully and abundantly within the resolution unanimously adopted by the Board, May 12, 1870, touching the "available fund," that it shall be loaned "only on collateral of Government or railway bonds, or other securities of a marketable value of at least 10 per cent. more than the loan. The marketable value of the bond held here as collateral is at least double the loan. * * * Further, the quarry of this company is furnishing the stone from which the banking-house of this savings company is erecting. It employs constantly about three hundred colored men in its works and in this city, and it is in these respects an institution kindred with the bank ; their interests are mutual. Those who from week to week and month to month watch over and strive to direct the best use of the freedmen's money in the bank are those who also afford them this field of valuable and profitable labor.'

The evidence differs entirely from the statements made in this report. The business of the company was not profitable. If it earned any dividends, it is certain none were declared except a stock dividend of 60 per cent., when it was deemed expedient to water the stock, which dividend, it is proper to add, is entered on the stock list which I have submitted as of the date of January 21, 1870. The bonds never had a ready sale in the market, and could not, by giving any natural meaning to the words, be construed to come within the stipulations of the charter, either as to real estate loans or the disposition of the 'available fund.' And in view of the worthless bonds of this company, which now lie in the vaults of the bank, it seems like cruel mockery for the Finance Committee to have asserted that it was an 'institution kindred with the bank ;' that 'their interests were mutual ;' and it was worse than mockery—it was adding insult to injury—to refer to the men who were engaged in ruinous speculation upon the money of the colored people as 'those who from week to week and month to month watch over and strive to direct the best use of the freedmen's money in the bank.'

"THERE ARE MORE THINGS IN HEAVEN AND EARTH, ETC."

There is no doubt, however, that those men who were pecuniarily interested both in the bank and the Seneca Stone Company did strive to make the latter 'an institution kindred with the bank.' They saw that the bank was full of money and that the Seneca Stone Company had none, and they very quickly jumped to the conclusion that it would be a good thing for the stockholders of the latter to put some of the money of the former into their bonds. This would supply the company with money for working purposes and would make a show of activity in its bonds. 'By ways that were dark and tricks that were vain' the bank was saddled with a number of these bonds. It does not appear from the books exactly in what manner it was brought about. There is a mystery about the transactions between the bank and the company which has not been completely

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unraveled. The bank was made to pay ninety per cent., however, for $20,000 of the first mortgage bonds, when they would not bring fifty per cent. upon the street. The bonds issued by the Seneca Stone Company were secured by a first and second mortgage, each for $100,000, and it will be observed that Mr. Cooke, in the report quoted, speaks of $57,000 in bonds then held by the bank as a first mortgage.' But the actuary, George W. Stickney, makes the following report as covering the transactions of these 'kindred' institutions :

'*Statement of the Actuary of the Freedmen's Savings and Trust Company in regard to the transactions had with the Maryland Freestone Mining and Manufacturing Company and with Messrs. Kilbourn & Evans.*

WASHINGTON, D. C., November 6, 1873.

J. M. LANGSTON, Esq.,
Chairman Special Committee :

At your request I would make the following statement as to transactions had by this company with the Maryland Mining and Manufacturing Company and with Messrs. Kilbourn & Evans.

First. As shown by the books of the company, May 18, 1870, $4,000 were loaned to said Maryland Freestone and Mining Company, secured by $10,000 of their second mortgage bonds.

Second. July 25, 1870, the Freedmen's Savings and Trust Company bought of said Maryland Freestone and Mining Company $20,000 of their first mortgage bonds at ninety, with the verbal understanding that the company would take said bonds back from the bank at par after two years.

Third. July 17, 1871, a further loan was made of the Freedmen's Savings and Trust Company by said mining company of $27,000, secured by $49,000 second-mortgage bonds of the same as collateral. This statement shows that up to January 2, 1872, the bank held of second-mortgage bonds of the Maryland Mining and Manufacturing Company $59,000, and $20,000 of the first mortgage.

Fourth. On January 2, 1872, as shown by the books, the transactions as between the bank and said company were settled, said company at that date being in debt to the Freedmen's Savings and Trust Company for cash loaned.

First. Loan of May 18, 1870	$4,000 00
Second. Loan of July 25, 1870, being amount paid for twenty first mortgage bonds	18,000 00
Third. Loan of July 17, 1871	27,000 00
Fourth. Interest due on above loans December 30, 1871	2,785 73
Total due Freedmen's Savings and Trust Company	$51,785 73

At this date, according to the books of this company, a transaction covering this whole matter was had with Messrs. Kilburn & Evans, whereby their notes were given for $50,000, payable six months after date and secured as follows, namely: Twenty-four shares American Dredging Company, Philadelphia, Pennsylvania, $2,400; seventy-five shares Metropolitan Paving Company stock, 100, par value, $7,500; one thousand shares market-house stock, 50, par value, $50,000; forty shares National Metropolitan Life Insurance Company, $2,000; one hundred and fifty bonds Maryland Mining and Manufacturing Company, $509 each, $75,000; and payment by the Maryland Freestone Mining and Manufacturing Company of $1,785.73 on account of interest. This payment was made by check on the First National Bank, signed by C. W. Hayden, treasurer.

G. W. STICKNEY, *Actuary.*

A true copy. Attest:

A. M. SPERRY, *Agent.*'

SECRET AGREEMENTS TO ROB THE HELPLESS.

From this report it would seem that the bank held only $20,000 of first mortgage bonds, but held, in addition thereto, $59,000 of second mortgage bonds, making $79,000 in all as collateral security for the debt of $51,785.73. About this time, December 30, 1871, consternation struck the Ring. The fact that these worthless bonds of the Seneca Stone Company had found their way into the vaults of the bank became a common topic of conversation and unfavorable comment on the streets. The newspapers got hold of it. There was danger that the public

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would be made acquainted with the 'true inwardness' of these nefarious operations by which the freedmen were being swindled. An infamous scheme was devised by which the public should be deceived, the bond transactions be covered up, and the bank be put in a worse condition than it was then, and the martyr-patriot, Hallet Kilbourn, and John O. Evans came to the rescue. The following *secret* agreement was entered into:

'*Agreement between Hallet Kilbourn and John O. Evans and the Finance Committee of the Freedmen's Savings and Trust Company.*

OFFICE OF THE COMMISSIONERS OF THE FREEDMEN'S
SAVINGS AND TRUST COMPANY,
Washington, D. C., December 30, 1873.

The Freedmen's Savings and Trust Company has this day made a loan to John O. Evans and Hallet Kilbourn of $50,000 upon the following-described securities as collateral to their note: $2,400 stock American Dredging Company, Philadelphia; $2,000 Metropolitan Insurance Company stock, Washington, District of Columbia; $75,000 Maryland Freestone Manufacturing and Mining Company 6 per cent. gold bonds, Montgomery County, Maryland; $7,500 Metropolitan Paving Company stock, Washington, District of Columbia; $50,000 Washington Market-House stock, Washington, District of Columbia. Said note is payable six months after date, with 10 per cent. interest; and in case said Evans and Kilbourn's note shall not be paid as it becomes due, then it is fully agreed that the Freedman's Savings and Trust Company shall keep the $75,000 bonds of the Maryland Freestone Manufacturing and Mining Company as full payment of said note and interest, and surrender to said Evans and Kilbourn the other securities above enumerated (save and except the $75,000 bonds of the Maryland Freestone Manufacturing and Mining Company), together with their note.

D. L. EATON, *Actuary.*

Approved:

L. CLEPHANE,
WM. S. HUNTINGTON,
L. R. TUTTLE,
Finance Committee.

A true copy of the agreement and indorsements.

GEO. W. STICKNEY.

Of course Evans & Kilbourn's note was not paid when it became due, and then followed the consummation of the iniquitous job, as shown by this receipt:

Received, Washington, D. C., November 15, 1873, of the actuary of the Freedmen's Savings and Trust Company the within mentioned securities, with the exception of the $75,000 bonds of the Maryland Freestone Manufacturing and Mining Company, with the understanding that our note for $50,000 is to be returned to us on or before the 18th instant.

HALLET KILBOURN.
JOHN O. EVANS.

Received note as agreed above.

JOHN O. EVANS.'

Thus the money of the freedmen was first taken from the bank on securities that were not worth anything, except the $20,000 of first mortage bonds; then this scheme of depositing the note and additional securities was resorted to for the purpose of concealing the transaction from inquisitive eyes; and in the final shuffle, Kilbourn & Evans got back their note and securities, and the bank got cheated out of its $50,000 of first mortgage bonds, and had $16,000 of second mortgage bonds substituted for them, which, with the other $59,000 held as security for the loans to the mining company, and $20,000 more held as security for the loan to J. C. Kennedy, make $95,000 of second-mortgage bonds, which are not worth a dollar in the market to-day. If this be not a swindle that calls loudly for the punishment of all who were engaged in it, I am at a loss to know what state of facts would constitute one.

In this connection it is but simple justice to Mr. Kidwell that a portion of his testimony hearing upon this matter be given. And while it evinces an earnest purpose on his part to save the bank from loss on account of these bonds, it shows how utterly indifferent Mr. Cooke and the other officers were as to whether it was saved from loss or not:

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MR. KIDWELL'S STRUGGLE AGAINST THE THIEVES.

'Question. Do you know anything of the juggle by which this loan to the Seneca Stone Company appeared for a time to be extinguished by a note of John O. Evans and Hallet Kilbourn, and how afterward it was revived, and Evans and Kilbourn's note was withdrawn from the Freedmen's Bank, and nothing left except the $95,000 in second-mortgage bonds of the Seneca Stone Company?

Answer. It was a piece of jugglery which I know nothing about and could not possibly have anything to do with. I have no association with that kind of people. When it was known to me that the loan at the Freedmen's Bank had been created to the extent of $50,000, and that second mortgage bonds to the amount of $95,000 had been deposited as security, I said to Henry D. Cooke that I felt unpleasant about that transaction; and I offered, with him, to raise $25,000 by the sale of real estate, if he would do the same, and to take up those bonds, myself and himself, from the Freedmen's Bank, paying them dollar for dollar. He promised me from month to month to do so. I then said to him, "Mr. Cooke, this thing does not suit me; I will not have any imputation resting on my children growing out of this matter, and although it will give me inconvenience, I will make a proposition to you, (he was then one of the trustees of the Freedmen's Bank); I will give the bank real estate to the amount of $50,000 to take up those bonds, and I will select one man and let the bank select one man to fix the value of the property." He carried my proposition, as he said, to the Freedmen's Bank, but it was declined. He soon vacated his position as trustee of the Freedmen's Bank, and Mr. Moses Kelly, who was then cashier of the Metropolitan Bank, succeeded him as trustee. Mr. Kelly and I were friends. I went to Mr. Kelly and I renewed this proposition to him. I told him that I felt unpleasant about the transaction, and I induced Mr. Kelly to renew my proposition to the Freedmen's Bank. Mr. Kelly proposed it at two different meetings of the Board of Trustees. He was again unsuccessful; and, strange to say, he reported to me that the proposition was defeated by the colored members of the board. In that proposition I offered to give real estate on Vermont avenue, a little above the Arlington House, on the corner of K street, and running up Vermont avenue to L street, at $1.65 a foot, for $50,000. The next time the offer was made through the actuary, Mr. Stickney, and with the knowledge of the president, Mr. Alvord. It was again refused. I afterward sold a portion of that property at $1.80 a foot, having offered it to the Freedmen's Bank for $1.65, and out of the proceeds I loaned $50,000 to the Seneca Stone Company, with the hope of getting the Freedmen's Bank paid. I made that loan with the view of giving vitality to the Seneca Stone Company, in hopes that it would pay the debt to that bank. I did it to sustain the credit of the company.'

THE ILLUSTRIOUS STOCKHOLDERS OF THE SENECA STONE CO.

There is no doubt that the names of the illustrious men who were reputed to be stockholders of the Seneca Stone Company had much to do with quieting the apprehensions of the colored trustees as to the value of its bonds, and inducing them not to favor the exchange of them for Mr. Kidwell's real estate.

But Henry D. Cooke was also connected with the government of the District of Columbia, as were George W. Balloch, of the Examining Committee; William S. Huntington of the Finance Committee; Z. B. Richards of the Board of Trustees; and D. L. Eaton, actuary of the Freedmen's Bank. The Board of Public Works was presided over by Mr. Cooke, and controlled by Alexander R. Shepherd. There came a time when money was wanting to sustain the contractors under the Board. The Board of Public Works had no money, but it issued certificates. These certificates would not sell in the market for anything near their face, and its employés had to be paid for their labor. With five officers of the Freedmen's Bank connected with the Board of Public Works, it was not a hard matter for Mr. Cooke and the Finance Committee to come to the conclusion that the Board of Public Works was another 'institution kindred with the bank;' and accordingly a raid was made upon its 'available fund' to meet this exigency. Contractors swarmed around the doors of the bank. The actuary, D. L. Eaton, was bribed by a one-half interest in a hundred thousand dollar sewer pipe contract with Vandenburgh; and the result is that Vandenburgh's indebtedness to the bank, as stated by the Commissioners, is to day $144,164,83. All sorts of 'irregularities' appear in connection with loans upon district securities and the worthless bonds of other corporations, in which members of the Finance Committee were

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interested either as corporators or stockholders. Those connected with the district government obtained whatever accommodations they desired upon securities that could not be negotiated anywhere else.

The facility with which Mr. Shepherd could get money from the bank is shown by the following testimony of Mr. Stickney, the actuary:

MR. STICKNEY'S TESTIMONY.

Q. Do you know of any loan at any time made to Vandenburgh, on the personal assurance of Alexander R. Shepherd that it would be paid in a day or two.

A. That loan was not made to Vandenburg. I recollect the transaction you refer to. It occurred in November, 1873. I was away at the time (simply for the Saturday). Governor Shepherd and Colonel Magruder came to Mr. Alvord and got the loan of $50,000 on a $30,000 check on the First National Bank, drawn by J. A. Magruder, treasurer, and on a $20,000 certificate of the Board of Public Works, to be paid out of the first moneys that the board received when the appropriation was made by Congress. I found out from Mr. Tuttle, the assistant treasurer, as soon as the check was made for the amount of the appropriation, and the next morning, before the bank was opened, I went to the First National Bank, and deposited this $30,000 check, and got it placed to my credit by Mr. Swayne, the cashier of the First National Bank. The $20,000 certificate ran along without being paid until February or March, 1874. One day, as I was in the Metropolitan National Bank, Mr. Moses Kelly said that the Board of Public Works wanted a loan of $35,000, and would give a 6 per cent. bond on the District of Columbia for it. Mr. Kelly was one of the Finance Committee at the time, and he advised that the loan be made, saying that it was a good loan, and the bonds were good. The market price was then 85, and the bonds could be sold in any amount for that. I told him I was not willing to make that loan, unless the $20,000 certificate was included in it, and bonds deposited enough to cover the $55,000. That was agreed to, and I made the loan of $35,000, and took $65,000 in bonds to cover that loan and the $20,000 certificate, which made the amount $55,000. That ran along some time, something less than a month, when the whole amount was paid. Mr. Vandenburgh had nothing whatever to do with it, unless perhaps he got the money from the Board of Public Works. The loan of $50,000 was made to Governor Shepherd by Mr. Alvord.

Q. What was the certificate worth at that time? A. None of the certificates or obligations of the Board of Public Works were ever worth less than 85 or 90 up to that date. None of them brought less than 80 or 85 until after the panic. That certificate was put into this new loan.'

The President of the bank, upon the mere request of Mr. Shepherd, thus paid out $30,000 of the freedmen's money, and took as security therefor nothing but the check of the Treasurer of the Board for $20,000, which would not have sold on the street for more than $17,000 or $18,000, when he knew that there would be no funds to meet either the check or the certificate until Congress would make an appropriation.

Another instance shows how Mr. Shepherd helped to swell Vandenburgh's indebtedness to the bank which still remains unpaid, and how he failed to keep his promises in connection therewith. The same witness testifies:

HOW SHEPHERD HELPED VANDENBURGH TO OTHER MEN'S MONEY.

Q. Did you never say to C. B. Purvis, or to any other person, that you had done one wrong thing, and that was allowing that money to be paid to Vandenburgh on the personal pledge of Shepherd. A. No, sir; I have no recollection of that. I know where Dr. Purvis got that idea. In November, 1872, Vandenburgh came to me and wanted some more money—five or six thousand dollars—to pay his men. I told him that he was so much indebted to the bank that I did not feel like letting him have any more money on the securities of the Board of Public Works, as other people seemed to get their money and we could not. He said it was for Mr. Shepherd. I went to Mr. Shepherd and he said, "If you allow Vandenburgh to have that amount of money now, you shall have all that is due you paid up when we get the first appropriation; but if you let him have any more, it will be your own lookout." I let him have about $5,000 on that occasion, and when the appropriation was made I got $22,000 of him instead of some hundred and odd thousand, as was promised; but as to any sum of $30,000, I know nothing about it.

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Q. Did Mr. Shepherd agree that he would pay that money himself? A. No; he agreed that it should be paid out of the first appropriation that the board got from Congress.

Q. And you got $22,000 instead of $100,000? A. Yes; there was due the bank from Vandenburgh and the Paving Company some $100,000, and we got about $22,000.

Q. You mean to say that when that loan of $5,000 was made, Mr. Shepherd said that you should have the whole amount that had been loaned by the bank, which at that time was over $100,000. A. Yes, sir.'

The 'available fund' was intended, as Mr. Cooke expressed it, to be a fund subject to check at sight. When the bank failed, the amount of loans standing unpaid that had been made out of this fund was $353,532.10, and for the payment of this sum the bank had a list of the following motley securities: Northern Pacific Railroad bonds, shares of the Young Men's Christian Association stock, 'Seneca stone' bonds, shares of the International Steamship and Railway Supply Company, Metropolitan paving stock, Morris Mining Company (Colorado) stock, chattel mortgages on furniture in the Arlington and Saint James Hotels, State bonds of Virginia, City of Philadelphia bonds, shares of East Capitol Building Association, mortgage bonds of the Chesapeake and Ohio Railroad Company, Detroit Car Loan Company stock, shares of the Capital Publishing Company, shares of the American Seal-Lock Company, Columbia Railroad stock, State of Florida bonds, bonds of the First Congregational Church, Second National Bank stock, District of Columbia 8 per cent. certificates, auditor's certificates, paving and curbstone tax, orders on and acceptances of the Board of Public Works, orders on paymaster Treasury Department, orders on and acceptances of treasurer of county schools, and life-insurance policies. There does not seem to have been any money in the 'available fund' at that date unless it was an item of '$45.20 nickel' set down by the Commissioners as belonging to the principal office. The vast majority of these loans were overdue and had been for periods ranging from one month to two years. The last report of the Commissioners, dated January 18, 1876, shows that of this 'available fund' that was always to be 'subject to check at sight,' there remained still unpaid, at that date, loans amounting to $248,030.24, and the chances are that nearly, if not all, of these will be lost.

SUITS OF NO AVAIL.

But almost contemporaneous with the first raid made upon the 'available fund' a change was wrought in the charter by which the field of investment for the other moneys of the bank was enlarged. The original act of incorporation was amended on May 6, 1870, by authorizing the investment of one-half of the loanable money 'in bonds or notes, secured by mortgage on real estate in double the value of the loan.' This gave rise to a small army of real estate brokers, who besieged the bank, and, by the practice of getting the biggest possible loan on the least possible real-estate security, swelled finally the losses which overthrew the bank. Kilbourn & Latta were appointed regular appraisers of real-estate for the bank, and at the same time acted as brokers in procuring loans from the bank. This acting in double capacity in matters so vital to the interests of the freedmen does not admit of extenuation. It threw open the door to the admission of securities that were by no means double the value of the loan, as required by the charter. This has been abundantly proven by the large losses that the bank has suffered on its real-estate securities. The instances are very rare in which the real-estate loans have been collected without suit, and in very many cases the securities are utterly worthless, so that the suits have entailed expenses without any benefit. These losses have not only been incurred by false valuations but from defects in title and prior liens, which were not seemingly inquired after at the time the loans were made, and from downright conspiracies to defraud.

ACCOUNTS DESTROYED.

The testimony discloses 'irregularities,' in addition to those already referred to on the part of George W. Stickney, the last actuary, which cannot be and are not denied, whereby the bank has lost large sums of money. There has been a misapplication of funds on his part, which cannot properly be defined by any other name than that of embezzlement. Besides, his account in the books is so confused that it is impossible to understand it. Two competent experts have certified, in

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a report which will be found annexed to the report of the Committee, that his account is 'perfectly unintelligible' to them. And, in regard to the general character of the books and accounts, these gentlemen say, 'We found leaves cut out from the original ledger, leaves without number pasted together, balances not brought forward, and of which, at this date, no trace has been found; and these omissions occur in every book so far examined.' These experts conclude their report as follows:

'In conclusion, we would say that our duties have been laborious. We do not make any comments, it being our purpose to state facts. We have presented figures from which your Honorable Committee can draw conclusions. It is our privilege as well as our duty, however, to state that a more perverted arrangement could scarcely have been devised by human ingenuity if the design had been specially directed to obscure the transactions of the institution. Incompetency at the beginning may be made an excuse for palpable errors and omissions, but when eminent bankers direct investments and indicate the business of the institution this apology fails.

We cannot suppose there was a 'lack of common sense' on the part of the managers of the concern, but certainly there is a notable deficiency in all the well understood principles of accounts, for which experience should have provided a remedy, even for the most ignorant and unskilled, much more for competent financiers and professed accountants.'

TIME FOR ACTION.

There are three Commissioners now in charge of the bank, each receiving a salary of $3,000. There is no necessity for this. One person can easily attend to the duties. Indeed, it is admitted that two of the present Commissioners really do nothing, and give to the third a portion of their salaries for doing the work. But I am of the opinion that a change in the entire commission is desirable. The acting Commissioner has been subject to serious charges, and although he denies them, grave suspicions of their truthfulness still attach to him. But I do not desire to take up the time of the Committee further on this point because I have a stronger reason, in my judgment, why there should be a change. These Commissioners have been in office two years, and men who have plundered the freedmen—well known to them to have done so—not only go unwhipped of justice, but no effort has been made on their part to hold them civilly or criminally responsible for their misconduct. For myself, I have no doubt of the right and power of Congress to abolish this commission, and being fully convinced of the propriety of an entire change, for this and for no other reason, I shall support the amendment offered by my friend and colleague on the committee [Mr. BRADFORD], which has this object in view, and which provides for the appointment of a new and competent man by the Secretary of the Treasury, under whose supervision such Commissioner is to act. I regard it of great importance to the freedmen that the House should act on the pending bill and amendments at an early day.

Mr. Chairman, the freedman no longer regards the Washington Ring as a myth. To him its existence is a stern, solemn, sad fact. It has cast a shadow over his home and life. It has dissipated the earnings and savings of wearisome days. It has given him over to many, many nights of unrest. It has doomed him to years of harder toil. It has brought penury, want, suffering, and deep distress to his loved ones. It has driven hope from his heart. It has undermined his confidence in man. It has shaken his faith in God.

CONCLUSION.

When the President of the Bank was interrogated before the committee as to the pecuniary condition of the actuary, he replied:

'I think that he is pretty largely interested in a good many parcels of property which may come to something, or on which he may lose everything as the shrinkage goes on, but I think that all these things will shrink away from him as they have done from the rest of us.'

Mr. Chairman, what a commentary is this! 'These things' have indeed shrunk away from some of these men. Some there are who fattened upon the freedmasns savings for a time and are now total bankrupts in fortune. But these are exceptional cases. Most of them have large possessions. And as I see them reveling in the lap of luxury; as I observe them arrayed in fine linen aud faring

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sumptuously every day; as I witness the investment of their ill-gotten gains in magnificent business-houses and palatial residences along these beautiful streets; as I hear of them, by the power of their wealth and social influence, packing and debauching juries, controlling courts, and subsidizing newspapers; as I listen to the story of their nearness to him who executes the laws for this great, free people—and then turn my eyes upon the poor freedman, ragged, hungry, suffering, wretched, robbed, whose money has been filched from him by these very people—I wonder whether, if there be a God in heaven, as I believe there is, all these things shall not, one day, 'shrink away' from them also?"

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OUR WORTHLESS NAVY.

AN EXHIBIT THAT COMPELS EVERY CITIZEN TO BOW HIS HEAD IN SHAME.

SECRETARY ROBESON.

To every person familiar with the operations of our government, it is apparent that there is no position, unless it be that of President, more important or exalted than the office of Secretary of the Navy. He is not merely a cabinet officer and member of the President's council, but he is the responsible head of the most important branch of the Executive Department. There is nothing connected with government and its powers to protect the people from foreign foes, that is so important as the maintenance of the navy in a proper condition of training as to its men, and of efficiency as to its *material*. Ships of war must in their force of momentum and power of resistance be equal to those of other nations, or they become mere slaughter pens for those who are compelled to man them. It is a French maxim, full of wisdom, "At sea nothing can be extemporized." The country, through its highest interests, demands a guard for its efficient navy. It is a gross injustice to our brave officers and men, ready to risk their lives in our defense, that the navy is now in such a state of preserved inefficiency as to disable them, if war should come on, from taking to sea or attacking the enemy.

The Secretary of the Navy is made by law directly responsible for the proper condition of this branch of the service, for the legal expenditures of all appropriations, general, special, and contingent. No officer of the government has immediate charge of so much public property, consisting of ships, monitors, dock-yards, stations, machinery, ordnance, clothing, provisions, etc. The well-being of sailors, the reputation of officers, the fidelity and honesty of contractors, the faithful disbursement of millions of money, the defense of our commerce and our national honor, are to a great extent dependent upon him. The proof recently adduced before the Naval Committee of the House of Representatives, shows that the present Secretary of the Navy has failed to appreciate the grave duties and responsibilities of his position. He has used his office for personal and partisan objects. He has openly, repeatedly and defiantly violated the law, and so far from attempting to punish offenders, he has connived at their offenses, and in many instances retained them in office after they have been exposed. He has imposed upon Congress, he has betrayed its trust, he has demoralized the service, he has perverted his patronage, and given to the country an administration of the navy that is wasteful, extravagant, full of abuses, with many millions of money unaccounted for, and many millions more squandered in wanton and useless ways.

HOW HE GOT INTO THE CABINET.

Mr. George M. Robeson became Secretary of the Navy on the 7th of July, 1869, succeeding Mr. Adolph Borie. If the country was surprised at the appointment of Mr. Borie to a place in the Cabinet, it was no less so at the selection of Mr. Robeson. Those who were at a loss to understand the reasons which impelled President Grant to select a person so comparatively obscure as Mr. Borie to a seat in his council, appeared satisfied with the sufficiency of the reason given, to wit: that Mr. Borie had contributed a large sum of money towards making General Grant a present. And as Mr. Robeson was a person equally as unknown to fame as Mr. Borie, before President Grant raised him from his obscurity, it was also taken for granted that Mr. Robeson had obtained his position by the same means through

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which Mr. Borie had secured his. But as it afterwards transpired, such was not the case. There is no evidence extant to show that Mr. Robeson ever made General Grant a present before he became Secretary of the Navy, and hence it is but an act of justice to the President of the United States to mention this fact. It is not sure that Mr. Robeson was unwilling to follow in the footsteps of his predecessor in this respect; but it so happens that Mr. Robeson had not the ability to buy his way into the Cabinet, even if he had so desired. Previous to his appointment as Secretary of the Navy, Mr. Robeson was a lawyer at Camden, New Jersey. He had been Attorney-General of the State, a position worth about $1,500 a year. Although a poor man, he had the reputation, even then, of being a very high liver. Mr. James M. Scovel, a leading Republican politician of New Jersey, tells, in his sworn testimony before the Naval Committee, that Secretary Robeson had the reputation at that time, of being an accomplished *gourmand*, and occasionally went to his house and cooked delicious terrapin, and drank two bottles of Madeira at a time. Whilst Attorney-General of the State, Mr. Robeson, in his official capacity, served the "Camden and Amboy" Railroad, and made some money through that relation. His appointment as Secretary of the Navy was obtained through the joint influence of Mr. Borie (his predecessor), Mr. A. G. Cattell (then United States Senator from New Jersey), Mr. G. W. Childs (the poet-laureate of America), and several influential members of the "Union League Club" in Philadelphia, Penn. As the name of Mr. E. G. Cattell will frequently appear in these pages, it may not be out of place to subjoin the following testimony of Mr. Scovel, relative to the unscrupulous means which Mr. Cattell was willing to employ to secure his election to the Senate.

"Q. Do you know by what agency Mr. Robeson became Secretary of the Navy? Have you any knowledge or information on that subject?

Mr. SCOVEL—"It was reported among us that he was made Secretary by Mr. Borie, but more particularly by Mr. E. G. Cattell. They have run him ever since, in our opinion.

A. G. CATTELL OFFERS A BRIBE OF $30,000 TO A NEW JERSEY STATE SENATOR.

Q. Upon what is your opinion based? A. In the first place it will be a long story; I resisted the combination in the Legislature that nominated Mr. Cattell and elected him United States Senator; this is how I came to know these men very intimately; Mr. Cattell offered me at one time $30,000 to vote for him; I refused and kept the Legislature from going into a joint meeting for six months (from April until September), and then voted for him under protest to save the Fourteenth Amendment, which amendment was the most important one we had, in the Senate; I was President of the Senate of New Jersey at the time; that was in 1865.

Q. As I understand you, Mr. Cattell offered you $30,000 for your vote? A. Yes, sir; He came into my office, hit his fist on the table, and said: 'By God, I am going to be United States Senator, and I have $30,000 to give you to make me so; you have got the casting vote;' I says, 'you can't give it to me;' I refused it; that made war to the knife, and we have not been on speaking terms for ten years since then.

Q. The relations of Mr. Cattell and Mr. Robeson since that time have been exceedingly intimate, have they not? A. They are as intimate as two human beings could be.

Q. Have you seen them frequently together? A. Oh, yes; they run the Navy Department together.

Q. What knowledge or information have you on that latter branch, that they run the Navy Department together? A. It is general—from having some business in the Department and seeing Mr. Cattell there."

From Mr. Scovel's evidence above quoted, we are enabled to form some estimate of Mr. A. G. Cattell's character.

ROBESON'S INCOME BEFORE HE BECAME SECRETARY OF THE NAVY.

With respect to Mr. Robeson's financial condition before he became a Cabinet officer, the same witness, James M. Scovel, says: "I know that he was a very poor man, and was so reputed in Camden. He was entirely dependent upon his profession. My cousin, Mr. A. G. Scovel, was Mr. Robeson's partner until he became Secretary of the Navy." In corroboration of this fact, we have Mr. Robeson's returns under the income law, which he verified under oath as follows:

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In 1863 he had an income of	$492 00
In 1864 he had an income of	535 00
In 1865 he was not assessed	.....
In 1866 he had	no income
In 1867 he had	no income
In 1868 he was	not assessed
In 1869 he had an income of	$1,000 00

But from the moment that Mr. Robeson was installed in his new position, a good furtune began to dawn upon him. A man of whom Mr. Scovel is townsman, says under oath, that he was unable to pay a small bill of $20 for law books, without being dunned several times for it.

BY WHAT MEANS DID HE ACQUIRE THIS GREAT WEALTH.

We find him in a few months opening large bank accounts with five institutions, as follows:

State Bank at Camden, New Jersey *	$52,713 12
Banking-house of Jay Cooke & Co.†	55,118 00
First National Bank at Washington, D. C.‡	95,777 12
Banking-house of Drexel, Morgan & Co.§	35,213 62
Banking-house of Riggs & Co., Washington, D. C.‖	228,724 75
	$467,546 61

This is a large sum of money to have been deposited by any one not actively engaged in some trade or banking business, but more particularly by a person, who, in the year 1869, had sworn to an income of $1,000, and whose official duties since then have been of a nature that must have absorbed his whole time.

In view of his intimate connections with the Cattells, which it will be our business to elucidate, as clearly as the testimony taken before the Congressional Committee warrants us, it is to be regretted that Secretary Robeson has been unable to satisfactorily account for the rapid accumulation of this large wealth, leaving an intelligent community no other alternative to arrive at than a conclusion unpleasant to them, degrading to the Secretary, and humiliating to the country.

The books of Messrs. A. G. Cattell & Co. lay bare the evidence of close business intimacy between GEO. M. ROBESON and that firm. It began about the period that Mr. ROBESON entered upon his duties as Secretary of the Navy. From an explanation of that account by the bookkeeper of A. G. Cattell & Co., it was shown that the firm deposited money, from time to time, with the Camden State Bank, for the use of Mr. Robeson. The books of the Cattells also proved that their relations with the Secretary were so close that the latter occasionally loaned the firm his notes for respectable amounts, and no later than *March*, 1876, Secretary Robeson advanced them two notes, amounting to $10,000. What stronger evidence of intimacy could be presented? Those tell-tale books also elicited the fact that a present of $250 had been made to Secretary Robeson, and that, under the head of "security," $3,000 had been paid to Secretary Robeson on account of his balance of political assessment.

ROBESON'S REAL ESTATE SPECULATIONS AT LONG BRANCH.

Secretary Robeson entered into a real estate speculation with the Hon. A. G. Cattell, for which he paid in a very peculiar manner. It seems that a party of Jersey gentlemen were desirous of purchasing a tract of land on the "Beach at Long Branch," and at the suggestion of Mr. A. G. Cattell, Mr. Robeson agreed to take one-twentieth interest in the whole of it. The cost of this property does not appear in the testimony taken before the Naval Committee, but Mr. E. G. Cattell says that about this time his brother went to Europe as the financial agent of the Treasury Department, and he took charge of building his brother's Long Branch cottage, and also that of Secretary Robeson's; that Mr. Robeson's cottage cost $13,582.29, which was paid for by Mr. A. G. Cattell & Co., and it stands charged

* Pages 213 to 225, Philadelphia, from July 1, 1869, to November 7, 1871.
† Pages 206 to 207, Philadelphia, from April 4, 1872, to June 16, 1873.
‡ Pages 295 to 303, Miscellaneous, from July 31, 1869, to September 4, 1873.
§ Pages 264 to 265, from September 20, 1873, to August 1, 1874.
‖ Pages 304 to 309, from October 16, 1873, to April 4, 1876.

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against Mr. Robeson to this day. This portion of Mr. E. G. Cattell's testimony is as follows:

"Q. Have you built, or has the firm of A. G. Cattell & Co. not built a house and paid for the interest of Mr. Robeson in the Long Branch property? A. Yes, sir; A. G. Cattell & Co. paid all that, and it so stands on my books, I presume.

Q. On Mr. Robeson's account, settled or unsettled, to this day? A. It is unsettled.

Q. You went ahead, and out of your firm built the Secretary's cottage, amounting in all to something like $13,000? A. Yes, sir.

Q. Explain to me how it is that he is allowed to hold that title when he has never paid a cent for it? A. I can only answer that by his friendship with my brother.

Q. Did not the money go out of your business? A. It came out of my business.

Q. It came out of those profits which you were making with these gentlemen? A. No, sir; it came out of my business.

Q. I notice when these books commenced in 1869, your brother had $105,000 to his credit, and you $7,300 for your debit against him, and from that time to this your brother's capital has been withdrawn and yours has been increased, and I understand that the books show that the cottage was paid for, and must have been paid for out of the money which you were receiving from these various contracts? A. Yes, sir; I say that.

Q. So that, in point of fact, you have paid for that cottage? A. Yes, and charged it to him on the books.

Q. What security did you hold for it? A. I have no security."

So that a portion of the proceeds of this money which Mr. E. G. Cattell derived from the sale of his "influence," is now in possession of Secretary Robeson, in the form of $13,582.29, which that cottage at Long Branch cost.

ROBESON'S SPECULATIONS IN WASHINGTON PROPERTY.

Mr. Robeson, doubtless, well satisfied with the Long Branch speculation, formed a partnership for the purchase of some lots on Sixteenth street, in the city of Washington, with Mr. A. G. Cattell, upon terms almost as liberal as those upon which he secured his Long Branch estate. The lots were sold to Mrs. Robeson and A. G. Cattell for $22,000. Mr. A. G. Cattell paid $11,000 cash down for his half; the Secretary paid $3,000 cash, and gave his note for the remaining $8,000. This last note found its way into the banking-house of Jay Cooke & Co., and was ultimately taken up and paid, not by George M. Robeson, the maker of the note, but by his friend Mr. E. G. Cattell.

The following is the testimony of Mr. E. G. Cattell upon this point:

"Q. Passing now to the Washington property, I understand that the Secretary and your brother had some interest in real estate in Washington? A. Yes, sir.

Q. To what extent? A. I do not know.

Q. How much money has the Secretary paid on the Washburn property? A. That I do not know.

Q. Has he paid anything? A. I think he has paid for one-half of it; I do not know the whole amount.

Q. Have you not paid a note of $8,000 which appears in your account on that property? A. I MAY HAVE DONE SO.

Q. You would not undertake to say that you could not recollect $8,000 being advanced to him—that it is a matter of so slight moment that you could not remember it? A. I may have taken the note up.

Q. I understand that the Secretary, in purchasing that estate, gave certain notes, and when the notes came around, they were renewed from time to time, until the failure of Jay Cooke & Co., when it was found convenient to take up and put out of circulation the $8,000 note? A. Yes, sir.

Q. Well, you paid that note? A. I paid that note, I believe."

Mr. A. G. Cattell, however, when examined relative to this transaction, stated that Mr. Robeson had settled with him for the $8,000 which his brother had advanced to take up his (Robeson's) note. These facts certainly are undeniable proof of the intimate and confidential relations which existed between the Hon. Secretary of the Navy and the brothers Cattell.

A. G. CATTELL & CO., AND WHO THEY ARE.

Before proceeding with this narrative, in view of the important relations which the Cattells bore to the Navy Department, we will pause to give a brief and intelligent account of this firm of Philadelphia commission merchants as it existed at

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the time Mr. Robeson became Secretary of the Navy in 1869. Mr. A. G. Cattell's health broke down, and on that account he declined a re-election as United States Senator; an arrangement was then made between A. G. Cattell and his brother E. G. Cattell, by which the business of the firm of A. G. Cattell & Co. should be carried on wholly and entirely by E. G. Cattell. This arrangement was consummated, and Mr. E. G. Cattell took the assets and property of the firm, and became the responsible person and the owner of the business, except simply the capital of A. G. Cattell, which he was to withdraw gradually from the concern. At the time of the withdrawal of A. G. Cattell from the firm of A. G. Cattell & Co., the capital of A. G. Cattell in the business was $105,539.42. E. G. Cattell had no capital at all, but, on the contrary, was indebted to the firm for $7,223.95. We will soon see, however, that Mr. E. G. Cattell was not long in recuperating his fortune. It will thus be observed that Mr. E. G. Cattell became A. G. Cattell & Co. almost simultaneously with Mr. Robeson coming to the head of the Navy Department. It does not appear that Mr. A. G. Cattell & Co., as a firm, have transacted a large business with the Navy Department; they have furnished only five or six thousand dollars' worth of flour or of grain per annum. Mr. E. G. Cattell would have us believe that he desired that the business of A. G. Cattell & Co. should be carried on by his two sons, and that they should confine themselves to a strictly legitimate business, and that his relations with what he calls "Navy business" was studiously withheld from them.

E. G. CATTELL BEGINS TO SELL HIS INFLUENCE WITH ROBESON.

The commencement of Mr. E. G. Cattell's connection with the Navy Department is thus described by himself in his testimony:

"Q. Prior to Mr. Robeson's coming into the office of the Secretary of the Navy, had you ever been in business or furnished goods for the Navy Department? A. I do not think I had.

Q. You took it up after that? A. Yes, sir.

Q. Had your firm done anything of that kind before? A. No, sir.

Q. The facilities which were at your command after he had become Secretary of the Navy were such as to enable you to enter into this business, were they not? A. I do not exactly understand that question.

Q. The fact that Mr. Robeson, your neighbor, was Secretary of the Navy enabled you to do this business which you never had done before; is not that so? A. I suppose that my acquaintance with him would help me with outside parties in doing business."

Mr. E. G. Cattell lost no time in placing his "influence" in the market. One of his first arrangements was with Mr. William Matthews, a retail dry goods merchant, doing business at No. 54 Catharine street, in the city of New York. Mr. Matthews had for some years transacted business (as a contractor of Navy supplies) with the Navy Department. Some time in 1870 he was called upon by Paymaster J. O. Bradford, the same gentleman who is Paymaster-General of the Navy, and was informed that A. G. Cattell & Co. contemplated opening an establishment in New York for the purpose of engaging in the business of supplying the navy with clothing, etc., and that it would be to Mr. Matthews' advantage to make some arrangement with the Cattells by which they were to remain away from New York, and not interfere with his business. Paymaster Bradford was a friend of the Cattells, and was no doubt consulted by them relative to their project of turning their influence with the Secretary of the Navy to the best advantage in his capacity as paymaster. Mr. Bradford was acquainted with all the navy contractors in New York, and his conversation with Mr. Matthews was probably for the purpose of paving the way for future negotiations; and so it appears Mr. Matthews found that bids for navy contracts were being made from Philadelphia, and that his business had begun to suffer, so he immediately recalled Paymaster Bradford's conversation with him about the Cattells, and then proceeded to Philadelphia for the purpose of affecting an arrangement. The following are the respective accounts of the preliminary negotiations and interviews held between contractor Matthews and Mr. E. G. Cattell:

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A SLIGHT DISCREPANCY—TWO WAYS OF TELLING THE SAME STORY.

MR. WILLIAM MATTHEWS' STATEMENT.

"I think, early in 1871, Pay Director Bradford informed me that Mr. Cattell, of Philadelphia, was coming over to New York to open an office, and to engage in furnishing naval supplies, and suggested to me the propriety of making the gentleman's acquaintance. I paid no attention to it for some little time, but I began to find that bids for supplies were being put in from Philadelphia; and thinking over the matter, under Paymaster Bradford's suggestion, I was introduced to Mr. E. G. Cattell, in his office, I think, and had some conversation then and subsequently; and finally made arrangements with him by which he undertook to assist me, as far as he was able, in the prosecution of my contracts; and that I should give him a certain portion of the profits arising from the business. On my part it was an arrangement to prevent his interfering with my business; and in carrying out that arrangement, I think that, as a rough estimate, I have paid him from 4 to 5 per cent. on the amount of the business.

Q. And these amounts that have been remitted from time to time, have been in discharge of that agreement that you and he had entered into? A. Yes, sir.

Q. Did you enter into that agreement with Mr E G. Cattell, or with A. G. Cattell & Co.? A. The circumstances are these: I was introduced, I think, to Mr. E. G. Cattell, and had repeated interviews with him. Afterward I was introduced, I think, to his son—that is, A. G. Cattell, Jr. I think, about the same time, I was introduced to the Senator, A. G. Cattell; and he told me subsequently that he had no interest in the business, and has repeatedly told me so since. My correspondence has been almost invariably with Mr. E. G. Cattell.

Q. When did he tell you that he had no interest in it? A. Before he went to Europe, whatever time that was, on the Syndicate matter.

Q. Has that or not been since the year 1872—April, 1872? A. That I do not know; that is the only point that I can fix. He may have told me so previously, but I do not know the exact point of time.

Q. Who constitute the firm of A. G. Cattell & Co.? A. I believe it consists of A. G. Cattell, the Senator, E. G. Cattell, Alex. G. Cattell, Jr., and another party, I do not know what his name is."

MR. E. G. CATTELL'S STATEMENT.

"When Mr. Matthews heard that I was going to open a business outside of my own business, he understood that Mr. Bradford was an acquaintance of mine, which he was. He was an old acquaintance, and had been for many years. Mr. Bradford told him that I was an energetic man; that my business was not paying very well; that my sons could manage it, and that I was pretty loose and could go into this business, and that I would do it energetically, and probably be considerably in his way. Mr. Matthews told Mr. Bradford that he had been twenty or twenty-five years in the navy business, and had got the thing at his fingers' ends. Mr. Matthews said he could do that business easily, but said, "If I have such a man as that to contend with, my profits will be cut down very badly, and the annoyance and everything will rather frustrate me." Bradford suggested to him to see me. He did not know what I would do or say. We might make some arrangement, or something to that effect. Mr. Matthews sent for me, and I went to New York and saw him. I stated just what I meant to do. I knew I could handle business as well as anybody else. I knew that the Government was safe, and could pay, and that was more than we could say of our general regular business, and that my business was not sufficient, or at least I did not make money enough, and wanted to make more money, and that I meant to start. He made the proposition to me, I think, himself. I may have made it to him, but that I cannot remember distinctly. The arrangement was made there, however, by which he was to give me 5 per cent of the business, and that has continued up to the present time.

Q. Do you mean on the amount of his sales? A. Yes, sir.

Q. Were you interested with him in his purchases? A. No, sir; not interested in any risk or loss that he might sustain in his purchases."

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E. G. CATTELL'S BROTHER, "THE SENATOR."

Mr. Matthews furthermore testified that in the course of one of his conversations with Mr. E. G. Cattell, the latter made use of the following remark: "Now, I would like you to see my brother, the senator, for he has got a longer head than I have." Mr. Matthews inferred that Mr. E. G. Cattell was desirous of bringing the senator and himself together, in order that the senator might have an opportunity of seeing and judging him. A few days later, he met Senator Cattell, and the conversation that took place between them was confined to the navy business in which E. G. Cattell proposed to embark; the senator said that it ought to be a large business, and the fact of its being large, would admit of a small percentage, etc. Mr. E. G. Cattell was present at the conversation. Thus it will be observed that Senator Cattell was not only fully acquainted with his brother's arrangements with Mr. Matthews, but was introduced to the very man whom E. G. Cattell had picked out to transact the largest share of the business with the Navy Department. This should be vividly remembered, because whereas Mr. Robeson has always admitted a very strong friendship with Mr. A. G. Cattell, he has always denied that his relations with Mr. E. G. Cattell have always been of an intimate nature. Mr. Matthews' testimony respecting Paymaster Bradford's connection with this affair is as follows:

"Q. Mr. Bradford, then the Paymaster at New York, now Paymaster-General, told you in 1871 that it was for your interest to see the Mr. Cattells? A. Yes; that is, he told me that they were coming to New York, or that he was coming to New York, I forget which.

Q. Whom did you understand by 'he?' Was that Alexander G. Cattell, the Senator? A. I do not know whom he intended; all I know is that he introduced me to E. G. Cattell, and my conversation was particularly with him, and my arrangements were with him.

Q. Mr. Bradford intimated to you that it was to your interest to see these parties—that they were about to open a business office or house in New York? A. Yes, sir.

Q. And that they would be competitors in your business? A. I do not know that he said that, but he said that they were coming to New York to attend to navy business, and he thought it would be to my interest to have an agreement with them.

Q. Did he then mention to you that they had any influence as a motive for you, or as a reason to induce you to see these parties? A. I do not know that he did, any more than in saying that they were very fine gentlemen, and very good business men, and I treated the matter as I should a matter of business.

THE REASON OF MATTHEWS' CONNECTION WITH THE CATTELLS.

Q. Did Mr. Bradford, or did Mr. Cattell, or either one of them, allege or urge that they had any advantages or influence, and, if so, with whom? A. I did not mind particularly; I would not be positive, but Mr. Bradford told me that he thought they were 'very intimate with the Secretary.' I would not be positive about the matter, but I have an impression of that kind.

Q. Did not you, as a business man, make inquiries and ascertain that fact? A. I do not know that I inquired any further than Mr. Bradford; I took it for granted that what he said was a fact. I found that my business was beginning to be interferred with, and these gentlemen talked fairly and honorably, and I thought it was for my interest to make the arrangement.

Q. And you did so? A. Yes, sir."

Mr. E. G. Cattell's explanation of his agreement with Mr. Matthews is as follows:

"Q. When was that agreement formed between you and Mr. Matthews? A. Before I had commenced doing any naval business whatever.

Q. When was that? A. My memory does not serve me. I do not know whether my books will show the first arrangement made, but it was six or seven years ago.

Q. Was it in the year 1870, or 1871, or 1872? A. I have not that clearly on my mind as to the year.

"INFLUENCE" HAS A LARGE MONEY VALUE.

Q. Did you pay any capital into the business? A. No, sir.

Q. What were you to do? A. All I could, and what I could.

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Q. What you could in what direction? A. In any direction that would help in the business.

Q. Were you to buy property? A. No, sir.

Q. Were you to measure property? A. No, sir.

Q. Were you to manufacture property? A. No, sir.

Q. Were you to handle or store property? A. No, sir.

Q. Were you to see to the delivery of property? A. No. sir; except it should become necessary.

Q. I have gone over pretty well all that; what were you to do? A. I was to do anything I could; my business was to find out what would be likely to be needed; watch the papers; see the advertisements; keep my mind and self always in constant exercise of what might be sold or contracted for to the Department, and report to him.

Q. Were you not, by your agreement, to exercise any influence you possessed with the officers of the Navy Department? A. Influence and ability, wherever and whatever influence and ability I had, I was to use."

And from this time henceforth Mr. Matthews became a favorite contractor with the navy. His operations with the Navy Department under Secretary Robeson's administration amount, according to the official figures, to $3,000,000 upon which he has paid Mr. E. G. Cattell $150,000, according to agreement, besides contributing a few thousand dollars more for political purposes, which he could very well afford to do, out of the profits of 20 per cent. on the gross amount, which he was to receive from the Government.

MRS. ROBESON DOING HER SHOPPING IN THE FASHIONABLE PURLIEUS OF CATHARINE STREET.

The estimate in which Mr. Matthews was held at the Navy Department was of such a nature that every naval and marine officer, clerk and employee that his business brought him in contact with, and even the Secretary of the Navy himself, appears as a debtor on his books, and Mr. Matthews being a shrewd, calculating, business man, extended them all the time of payment apparently to an indefinite period.

Mrs. Robeson, the wife of the Secretary of the Navy, who, from her rank and position, one would hardly expect to see patronizing the dry goods stores of the Bowery and Catharine street, is observed doing her little shopping at Mr. Matthews' store, No. 54 Catharine street. She purchased a bill of goods there and did not pay for them, but the very same gentleman who had built her husband a cottage at Long Branch, and taken up the $8,000 note on the Washington property, comes nobly to the front and pays Mrs. Robeson's bill with the contractor Matthews. The following is Mr. Cattell's testimony on this subject:

"Q. Did you liquidate certain bills that were contracted by Mrs. Robeson in the city of New York with Mr. Matthews? A. Yes, sir; I paid them and received the money from Mr. Robeson to pay them. He gave me the money to pay the bill; it is not worth while to give any reasons for that, is it?

Q. If you desire to do so, you can. A. The reason was, that Mr. Matthews in his arrangement with me would take a percentage off. It was cheaper for Mr. Robeson to pay the bill through me than to pay it himself.

Q. Mr. Robeson, then, knew of your arrangement with Mr. Matthews? A. Mr. Robeson did. I told him I could get a percentage.

Q. Did you tell him where you were going to purchase? A. I did not purchase them; they purchased them.

Q. How did it happen that they found where to go? A. I don't know that; I could not tell you.

Q. Did not you tell them at the time that you could get a discount off? A. No, sir; not until afterwards. They asked me to pay the first bill; then, of course, I did not know how they came to get them at William Matthews'.

Q. Then, they had commenced trading there before you had informed them that the discount could be had? A. I presume so; that I cannot recollect."

Yes, that was the strangest part of this affair. How did Mrs. Robeson know where to go, particularly when Mr. Matthews' store was in such an out-of-the-way place? In the face of the fact that Mr. Matthews has received $3,000,000 from the Navy Department in payment of his contracts, will people for a moment believe that Secretary Robeson was as ignorant of the relation between Mr. Matthews and Mr. E. G. Cattell, as the latter pretends?

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HOW MR. E. G. CATTELL BLED NAVY CONTRACTORS.

But Mr. Matthews was not the only contractor who was compelled to pay tribute to Mr. Cattell. In the examination of Mr. E. G. Cattell and his clerks, it was discovered by the Naval Committee that Mr. E. G. Cattell had entered into similar arrangements with a large number of other persons doing business with the Navy Department. The following is a list of the contractors who paid Mr. Cattell money for his "influence" with the Secretary of the Navy, so far as the Committee were able to ascertain by proof. As Mr. E. G. Cattell kept his business "in his head," it was found impossible to obtain a complete list either of the names of these gentlemen, or the amounts paid by them.

William Matthews, Naval Stores, Clothing, etc.	5 per cent. on	$3,000,000
J. W. Bigler, Timber dealer	" "	1,199,046
W. C. Swift, Timber dealer	" "	1,448,542
Caryl & Co., Timber dealers	" "	.....
Cramp & Son, Ship builders	" "	863,441
D. S. Stetson, Ship builder		.....
Hammett & Neal, Coal dealers		.....
D. M. Noblitt, Coal dealer	5 per cent on	700,000
D. & J. Noblitt, Coal dealers		
Goodwin, Baker and Flour dealer		Unknown.
Alexander, Provision dealer		"
Post, Wire Rope		"
Ressinger & Co., Lumber dealers		"
Mitchell, Candles		"
Colton, Treasurer of Dredging Company		"
Water Proof Company		"
Knowlton, Machinery		"
Lubbock & Co., Beef Packers		"
Total		$7,211,029

With respect to some of the contractors, we have been unable to ascertain from the evidence taken before the Committee the amounts they received from the Department, but Mr. Cattell informs us that he received the following sums as his portions of the spoils from the following contractors:

Alexander	$5,000
D. J. Noblitt	2,000
Hammett & Neal	500
D. S. Stetson	2,000
Waterproofing Company	4,000
Goodwin	5,000
J. W. Bigler	30,000
	$48,500

Mr. Cattell's memory as to this business generally was not very good; as previously remarked, he kept no books of these transactions, and relied entirely upon his memory, as the following testimony will show:

"Q. How much did Poste pay you? A. I do not remember that now.

Q. What was his contract? A. There were various contracts for beef and pork.

Q. Was it large? A. No, sir.

Q. To give me some general estimate of how much you received without being precise? A. I could not tell that.

Q. What did you estimate your receipts at from Bigler? A. It would be an impossibility to name the amount.

Q. Can you not give us some definite notion as to whether it was twenty or forty thousand, for instance? A. It may have gone up to thirty thousand."

The above is a sample of the manner in which Mr. Cattell kept his accounts.

CONTRACTOR MATTHEWS AND NAVAL OFFICIALS—MRS. ROBESON AGAIN.

But the payment of E. G. Cattell of five per cent. on all his $3,000,000 sales to the Government, was not the only loss that Mr. William Matthews deemed proper to

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sustain for the purpose of preserving the friendship and good will of the powers that controlled the destinies of the Department.

In the course of his examination before the Naval Committee, Mr. Harris (Republican), of Massachusetts, put this question to Mr. Matthews:

"Q. Now, I ask you, if, during the last two years, the head of the Navy Department has not been your debtor; if every paymaster who has been stationed at New York City has not been your debtor; if every clerk in the Navy Agent's office in New York City, and every one connected with the Bureau of Provisions and Clothing at the Navy Yard, has not been your debtor; if the disbursing clerk of the Navy Department here, the principal clerk and the next clerk to him in the Bureau of Provisions and Clothing; if the Quartermaster of the Marine Corps, and the Assistant Quartermaster, and his clerk, Mr. Marks, have not been your debtors?"

To which Mr. Matthews replied, "*To a great extent, that is true.*"

Mr. Matthews' old ledgers were overflowing with old unsettled debts of persons of every grade connected with the Navy. Some portions of his evidence upon this point is very interesting. It runs as follows:

"Q. 'June 28, 1873, D. C. Braxton, $33.41.' Who is he? A. I think he is a sailmaker over at the Brooklyn Navy Yard.

Q. Next item, '*Mrs. Robeson*, $20.' Who is that? A. *I presume that is the Secretary's wife.*

Q. That appears to be unsettled; I find here an account, October 30, of Mr. Burns, at the Navy Yard, Mr. Lapham at the Navy Yard, and Mr. Gascoigne. Who are they? A. These are all workmen at the Navy Yard.

Q. Their accounts appear to be unsettled? A. That would appear so; they are workmen in the yard; I am not acquainted with them myself.

Q. F. H. Stickney; who is he? A. He is one of the clerks at the Navy Department.

Q. He is disbursing-clerk, is he not? A. I don't know what office he holds.

Q. John F. Denson? A. He is chief clerk to Paymaster-General Watmough, chief clerk of the Bureau of Provisions and Clothing.

Q. That is $30, under date of November 17, 1873; that appears to be unpaid? A. Yes, sir.

Q. 'July 22, Mr. Blood;' Do you know who he is? A. Mr. Blood is one of the clerks in the purchasing-paymaster's office in New York.

Q. That is not paid? A. By the books it would appear that way.

Q. October 7, Mr. Blood again, for $19.42, which seems to be unpaid? A. Yes, sir.

Q. Mr. Davis; who is he? A. A clerk in the inspection of provisions and clothing, Brooklyn Navy Yard.

Q. His account appears to be unsettled? A. Yes, sir.

Q. Mr. G. S. Chambers; who is he? A. He is a clerical friend.

Q. Here again I see the name of Mr. Roach; he is the same workman in the navy yard? A. Yes, sir.

Q. Mr. Blood, December 16, $11.86; April 15, 1875, George M. Blood again, $21.10; May 13, George M. Blood, $13.93. Who is J. S. Delano? A. He is a gentleman that lives here in Washington. I do not know what position he holds.

Q. Is he not in the Comptroller's office? A. That I do not know.

Q. It appears that under date February 6, 1874, you loaned him the sum of $300? A. Yes, sir.

Q. Has that sum been paid? A. No, sir; Mr. Delano came to me with a letter of introduction from Paymaster-General Watmough, and I loaned him $300, taking his note, and he has not paid it.

Q. I asked you a while ago who Mr. Denson was? A. No, sir; I think you did not ask who he was. He is chief clerk in the Bureau of Provisions and Clothing at Washington.

Q. Have you loaned him any sums of money? A. I loaned him $500, and have his note for it.

Q. Did you know him, or did he come with a letter of introduction to you? A. I knew him as chief clerk of that bureau, of course; I have had business there.

Q. Is that note of Mr. Denson's paid yet? A. I think not, sir.

Q. Who is the gentleman by the name of A. D. Souza? A. He is a clerk in Captain Maddox's office, Philadelphia.

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Q. I find, under date January 25, 1876, 'Navy yard man' A. Well, sir, that is all I know about it.

Q. January 7, 1876, again, Mr. Blood, $25.43; his account appears to be unsettled? A. Yes, sir."

And so on indefinitely. The above are an insignificant quantity of the debits of officers and employees of the navy to Mr. Matthews.

MORE ABOUT MRS. ROBESON'S BILLS AND WHO PAID THEM, AND MR. MATTHEWS' OPINION OF HER EXCELLENT QUALITIES.

That Mr. Matthews' acquaintances were not limited to the Cattell brothers, nor to the heads of bureaus, nor to impecunious clerks to whom he extended indefinite credit, nor to navy yard laborers, whom he also trusted, will be readily seen from the ensuing evidence by him, April 4, 1876, before the Naval Committee:

"Q. On page 96 of the new ledger, I noticed an account against Mrs. George M. Robeson, commencing in September, 1874, and amounting on December 1 of that year to $848, for which there is credited, November 30, 'By cash, $331;' December 2, 1874, 'By order, W. M., $111.55.' What does that mean? A. That I don't know; all I know is, that this account is paid.

Q. Was it paid in money? A. In money.

Q. Paid to you? A. Paid to me, and paid generally by Mr. E. G. Cattell; that is the way the thing has got confused.

Q. Were not part of these goods ordered through Mr. E. G. Cattell? A. They may have been; I don't know whether they were or not; but my impression is that they were not.

Q. The balance there due, or due apparently, is it still due? A. I do not know; I do not think that is correct; I think that has been settled.

Q. How settled? A. Settled by Mr. Cattell.

Q. By Mr. E. G. Cattell? A. Yes, sir.

Q. Calling your attention to the account of Alexander G. Cattell & Co., as it appears upon your ledger here under date December 22, 1874, a bill for $111.55, charged to Alexander G. Cattell & Co.; does that show upon the face of it that it is for Mrs. Robeson? A. It says here in the book, 'Bill of Mrs. M. G. Robeson.'

Q. And that upon your books passes to the account of Alexander G. Cattell & Co.? A. Yes, sir.

Q. And among the remittances which you have been making to Mr. Alexander G. Cattell & Co.? A. It was charged to Alexander G. Cattell & Co., and upon the ledger appears in the general account."

Thus it appears that Mrs. Robeson's bills are paid for by E. G. Cattell from the very money for which he sold his influence with the Secretary to Matthews.

The following shows where articles originally charged to Mrs. Robeson, have ultimately found their way to E. G. Cattell's account:

"Q. Will you state whether any items have gone into Mr. Cattell's account that were charged to Mrs. Robeson? I want to find out whether the goods furnished to him out of the profits of your business have gone directly to Mrs. Robeson; on December 22, 1874, I see a bill of $111.55 charged to Alexander G. Cattell, which appears to have been furnished to Mrs. Robeson? A. Yes, sir; [after examining books] that appears to be the only instance, so far as my knowledge extends.

Q. Who gave you the order in that particular case? A. There is only one charge of that kind, and I presume the goods were bought by Mrs. Robeson, and that she had handed the bill to Mr. Cattell to settle, and Mr. Cattell has handed it to me to settle and charge to him.

Q. And you, instead of giving him money, have settled that bill? A. Yes, sir.

Q. You say that Mr. Cattell has sometimes paid you money for Mrs. Robeson? A. I think he has.

Q. *Do you know of Mrs. or Mr. Robeson ever paying any money?* A. *No, sir.*

Q. So, in point of fact, all bills that Mrs. Robeson has made at your place have been made through Mr. Cattell or by him? A. That is my impression. [Gallantry being a quality not usually developed in government contractors, it would be an act of wanton cruelty, if not of flagrant injustice to omit the subjoined part of Matthews' testimony.]

Q. April 2, page 120, contains the item, 'Mrs. George M. Robeson, two pairs coachman's pants, per Adams Express.' How much did you charge her for that? A. I do not know.

Q. It is not extended at all, is it? A. It is a memorandum that is on her bill.

Q. On what bill? A. A bill that she has bought of our clerks at some time.

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Q. The next entry is on page 116? A. The entry there is, '2 India-rubber coats, charged to George M. Robeson,' and, in posting, it is charged to Mrs. Robeson's account. Mr. Robeson sent me a letter requesting me to meet him at the Fifth Avenue Hotel, one morning. He was going fishing, and I took them up there. I wasn't certain of the kind that he wanted, and I took two along. That was March 29, 1875.

Q. Turn to page 247 and see what that is? A. That is some blankets, etc. 'Two suits of clothes, two coachman's coats, $150.' *I suppose it would not be anything less than gallant for me to say that, in buying these goods, Mrs. Robeson displayed a great deal of economy and good judgment; so much so that frequently she has returned articles that were too expensive.* I remember that distinctly, particularly about some blankets."

As Mr. E. G Cattell swears that he did not recommend or suggest Matthews to the Robesons, it would be curious to ascertain how Mrs. Robeson came to find her way to Catharine street, and more curious still that she never offered to pay for what she bought; but her gift of prophecy was so great that she was able to guess that Mr. E. G. Cattell had an account with Mr. Matthews, and that whatever she bought would be charged to Mr. Cattell and settled for by him.

SECRETARY ROBESON AND CONTRACTOR SWIFT.

Mr. W. C. N. Swift is a dealer in live oak timber, and had been in the habit of supplying the Navy Department for years back, but had not done so from 1861, until Mr. Robeson became Secretary of the Navy. Mr. E. G. Cattell sent a message to Mr. Swift, desiring an interview upon the subject of live oak timber, and said that he desired to make arrangements with him for the purpose of engaging in the business of procuring live oak timber. They met, and Mr. Cattell made a proposition to Mr. Swift somewhat similar to that he had made to Mr. Matthews. We will use Mr. Swift's own words: "I understood, from Mr. Cattel and other sources, that he was a very intimate friend of the Secretary of the Navy, and had been all his life, and for a great many years was a neighbor, or something of the sort, and I supposed he would be a good friend to have in Washington, as I was wanting a friend there during these times. I had no dealings whatever during the whole of the administration of Gideon Welles, not to the extent of one cent. I made different arrangements with Mr. Cattel from time to time; I agreed to pay him sometimes ten cents and sometimes fifteen cents on contracts that I might receive from the Navy Department. I have had three or four contracts; I don't know that mine was the lowest bid, but it was so construed by the Department. I paid Mr. Cattell altogether $37,000. I made the last payment on April 11, 1876."

But Mr. Swift, not being sure that he was getting value received from Mr. Cattell, made so bold as to inform the Secretary of the Navy of the arrangement that he had with Mr. E. G. Cattell. The following testimony gives an account of the interesting interview between Mr. Swift and the Secretary of the Navy:

"Q. Did you at any time have any conversation with the Secretary of the Navy in reference to Mr. Cattell or his transactions with the Department? A. I do not remember of talking with the Secretary about Mr. Cattell, except after or about the time of the last payment. I think it must have been probably a little before April, 1874. I judge so from the fact that I made no subsequent payment to Mr. Cattell. I was soliciting the Secretary for the privilege of delivering surplus timber. It has been the practice of the Department from the early days to take the surplus timber at contract prices.

Q. And you were soliciting the Secretary to take some you had on hand, after filling your contract? A. Yes, sir.

Q. State to the Committee what conversation you had with the Secretary upon that subject as fully as in your power? A. I could not undertake to state the words.

ROBESON DENIES THAT CATTELL HAS INFLUENCE WITH HIM.

Q. I did not expect that; but you can give the substance of it? A. The substance of it is that I told him that Mr. Cattell was very anxious about this; that he was a friend of mine, and I supposed it would help him. He said that Mr. Cattell had no influence whatever in this matter; that it would hurt my case rather than benefit it by talking of Mr. Cattell. He said that he had heard that Mr. Cattell had been instrumental in making contractors think he could

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help them, when he could not, and he told me that I should take notice that Mr. Cattell had no influence in this matter whatever.

Q. After that did you pay Mr. Cattell anything? A. About that time was the last payment I made him, although Mr. Cattell claimed a continuation of the arrangement.

Q. And had you at a previous period spoken to the Secretary about your connection with the Cattells, or suggested that Mr. Cattell was interested with you? A. I do not remember of ever talking with him before that about it, but since that he has spoken a number of times about it, and seemed at times very indignant about it."

ROBESON BECOMES "SORE" ON CATTELL.

Whether Mr. Swift had fully considered his action before disclosing his arrangement with Mr. E. G. Cattell, is, of course, a matter of conjecture; but there are some who will regard Mr. Swift's course as very smart. Mr. Swift knew very well that the Secretary of the Navy would not dare admit that Mr. E. G. Cattell was trading away his "influence" with him; Mr. Swift knew that Mr. Robeson denied that Mr. E. G. Cattell possessed any influence with him, and the Secretary became offended at Mr. Cattell; and Mr. Cattell's testimony before the Committee says that "Mr. Robeson became very *sore;* that he cut his acquaintance, and would have nothing to do with him;" but Mr. Robeson's "indignation" was either of very brief duration, or else fictitious. From some loving despatches that passed between Sectetary Robeson and Mr. Cattell, after Mr. Swift had informed him that he had paid Mr. Cattell $37,000 for his "influence" with the Department, the reader will best judge to what extent the close intimacy between the Secretary and Mr. Cattell was affected.

At Christmas, six or eight months afterwards, Mr. Cattell sends the "indignant" Secretary the following despatch: "Wishing you and yours a merry Christmas." And when New Year's day arrived, the same gentleman sent the "indignant" Secretary this despatch:

"PHILADELPHIA, January 1, 1875.

"*To* GEO. M. ROBESON, *Secretary of the Navy, Washington, D. C.:*

"Wishing you and yours a very Happy New Year!"

And here follows a batch of telegrams, all of which prove conclusively that the "indignation" of Secretary Robeson, at the base and foul manner in which he had been betrayed by Mr. E. G. Cattell, was fully aroused to a pitch bordering on frenzy. The reader will then be able to appreciate the jealousy with which the gallant Secretary guards his honor, and deals with men who would place him in the eyes of his country in the light of a corruptionist and a bribe-taker.

"*To Hon.* GEORGE ROBESON, *Secretary of the Navy:*

"*Will see you at your house about 9 o'clock to-morrow morning.*"

Here is another of November 14:

"*All right. When will you be in New York?*"

On November 8 he telegraphs to the Secretary as follows:

"*No reply to my telegram; if important to come to-night or Sunday night, prefer to-night. Will wait at telegraph office, Philadelphia, for reply.*"

Then on the 22d of November he telegraphs:

"*Do you expect to be in New York soon? If so, when? Reply.*"

Then on March 28, 1874:

"*Appointment of receiver of stores, yards and docks remains vacant through your telegram to the commandant. We especially want the appointment of John Fox to this vacancy. The commandant approves, and will appoint if authorized by telegram from you.*"

A. G. CATTELL,
DELL NOBLITT, JR.

And this Mr. Noblitt was one of the gentlemen who paid E. G. Cattel a large commission for "influence." He feels a very great interest in having his friend appointed to a position in the Navy at Philadelphia.

Again he says, April 8, 1874:

"*Received letter this morning. Will attend to request at once.*"

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Then on May 18, 1874, he sent this dispatch:

"*Letter with inclosure received.*"

On May 18th:

"*Will letter mailed to-day reach you? Reply.*"

On June 1, 1874, there is this telegram:

"*To Hon.* GEO. M. ROBESON, *Secretary of the Navy, Washington:*

"*Will you be at home to-night? Reply.*

E. G. CATTELL."

On March 4 there is this dispatch:

"*We leave in Cutter General Grant off battery, ten o'clock to-morrow, to meet Senator and Minister Schenck. Would be glad to have you with us. Reply.*"

On July 1, 1874, A. G. Cattell sends this dispatch:

"*To Hon.* GEO. M. ROBESON, *Fifth Avenue Hotel, New York:*

"*If well enough, I think it highly important you come to Washington to-night. Hale has declined.*

ALEX. G. CATTELL."

On July 27 A. G. Cattell sends this dispatch to Mr. Robeson:

"*Will., Bettie, and myself will breakfast with you to-morrow morning at eight o'clock.*"

And there are a number of these dispatches between Mr. E. G. Cattell and Secretary Robeson, from which it does not appear that the relation that had existed between these two gentlemen had been the least destroyed, and that their business relations had continued up to March of this year, when Mr. Cattell was still demanding commissions from these contractors and they were still paying him.

A BRACE OF E. G. CATTELL'S DISCIPLES—MORE NAVAL BROKERS.

The Cattells were not alone in this business of trading with the Navy Department. The proof taken before the Naval Committee shows that the following-named persons received money for "influence" at the Department:

Mr. Buker, a dry goods merchant on Seventh street, in Washington City, received a commission of $1,000 from George P. Wallace, for securing him the sale of a lot of timber to the Department.

Mr. W. J. Murtagh, the editor and proprietor of the *National Republican*, sold his "influence" with the Navy Department to Mr. Geo. P. Wallace for $4,000, to enable him to sell a lot of timber to the Navy Department. Mr. Murtagh also received the sum of $10,000 from Joseph L. Savage, for "putting through" the Navy Department a claim of $21,719.58, which had been rejected by Secretary Welles.

S. M. Johnson sold his "influence" with the Secretary of the Navy in the famous "Governor" claim which had been rejected by Secretary Welles, for a large provision. Mr. Johnson was paid $35,000 for the celebrated "Hungerford" claim; the full particulars of this claim and Mr. Johnson's connection therewith, together with his correspondence, will be found elsewhere in these pages.

Orville Grant, the President's brother, sold his "influence" on several occasions, securing in one instance $1,500, from Joseph L. Savage, for obtaining for him a contract to sell the Naval Department 500 ship-knees. Mr. Grant was also employed at a salary of $200 a month by Basshor & Co., of Baltimore, as a compensation for his services in procuring contracts for that firm from the government.

Charles P. Whipple received $1,500 for obtaining Mr. Orville Grant's "influence" for Mr. Savage in the above contract, which was thus illustrating Mr. Samuel Welles' remark of a "wheel within a wheel."

S. P. Brown, a navy contractor, sold his "influence" with the Navy Department in the "Governor" and "Louisville" claims, both of which had been previously rejected by Secretary Welles, for large fees and commissions.

There are also a large number of other "small fry," too numerous to mention, but the foregoing list is sufficient to establish the fact that brokerage in naval patronage has, under Secretary Robeson, become a business. It is disgraceful that such a state of public service should exist as makes it possible that with personal influence and personal relationship, agents of the government should become articles of merchandise. No more lamentable exhibition of corruption in the service could be presented than is exhibited by such a state of things.

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OLD CLAIMS.

Secretary Robeson has directed the payment of a large number of claims that were discarded prior to his induction into office, a number of which had been acted upon and rejected by Secretary Welles. From the fact that they had been rejected by Mr. Welles, who was known and appreciated for his marked integrity in office, and the further fact that in the great majority of the most prominent of these cases, it has been shown that outside parties have been paid large commissions for the intangible and apparently lucrative service known as "influence," the fraudulent character of these claims is fully established.

We beg to call particular attention to a number of these cases, which we have tabulated as follows:

Name of Claim.	Amount allowed or paid.	Former action.	Remarks.
Secor	$93,000 00	Rejected..	That is to say, the Secors had presented their claim to Congress; it had been acted on; the amount ascertained upon reference to the Secretary of the Navy, Mr. Welles, and they had accepted the amount which the act of Congress said should be in full discharge.
Governor	52,000 00	"	Secretary Welles passed upon this claim and rejected it. S. P. Brown, *employed for his influence*, does nothing, and, with S. M. Johnson, receives one-half the claim.
Savage	21,719 58	"	Original claim for $31,559.93, of which $9,838.35 allowed; balance disallowed. Savage employs Murtagh, for his influence, to collect this; is successful, and pays Murtagh $10,000.
Ames	216,015 38	"	Secretary Welles states the history of this claim in his proof. It was a claim founded on a contract to make certain guns. They were to pass inspection; they never did. The last payment was made to W. H. Barnum, administrator. The Chief of Ordnance said to Commander Meade that a vote (where not stated) was secured by this payment.
Engineers	20,000 00		This was for services voluntarily tendered the Government during Secretary Welles's administration of the Navy, which understanding he rejected.
Clara Dolson	9,450 00	.....	Subsequently to this, claimant presented to Congress balance of this claim. Why should he not have done so as to this amount? It was paid as in the case of the Governor to the attorney.
Matthews	31,958 61	.....	Presented, so far as record shows, first in May, 1873; allowed in November, by order of the Secretary. E. G. Cattell receives fee of $10,000 for his influence and services; upon face of approved bills said to be for *reservations withheld* on account of duties charged, etc.—a false suggestion or a suppression of the truth.
Tilton & Wheelwright	*32,000 00	.....	This claim was examined into by Committee on Naval Expenditures.
Belknap	21,000 00 130,832 00	.....	Belknap was dismissed from Navy by President Johnson. At that time he was in default $130,832, which it was alleged was stolen from him at Brooklyn Navy Yard. Secretary Welles, in dismissing him, two years after date of alleged robbery, stated that he had not applied for relief to Congress, etc. The circumstances of this case are altogether peculiar, and one which should have been examined into by court-martial or Congress before the allowance of his pay and the amount of his alleged defalcation.
Bonsall	4,615 00	.....	Attorney representing claimant was A. C. Scovel, former partner of the Secretary. Pay allowed to claimant when not an officer of the navy—but see proof.
Louisville	*82,000 00	Rejected...	This claim was rejected by Secretary Welles, whose account of it is wholly different from the present Secretary's. The claimant was represented by S. P. Brown.
" Hungerford"	75,000 00	.....	This claim will be further commented on. See below.
Total	$789,590 57		

* About.

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This large amount of $789,590.57 was paid on claims, nearly all of which had been rejected by the Secretary's immediate predecessor.

It will be observed from the details that will appear below, that a large number of them were "put through" by parties who were not regular attorneys, but agents that simply claimed to possess "influence."

If Secretary Robeson had been actuated by a proper regard for the interests of the government, he would have referred these claims to the proper tribunal for the adjudication of them.

We will now proceed to briefly review the history of the more important of these claims.

THE SECOR CLAIM.

This relates to the unlawful payment, in June, 1870, of the claim of $93,000 to Secor & Co , and Perrine, Secor & Co., for the balance alleged to be due them as contractors of the Navy Department, for the building of certain monitors, during the war. This payment has been the subject of voluminous reports of Congressional committees, and has always given rise to much discussion in the public prints and public assemblies, and in both Houses of Congress.

During the war these claimants contracted with the Navy Department for the building of certain monitors for the sum of $460,000 each; these vessels were built, accepted by the Department, and did good service. They were to be of the class of the monitor Passaic, which had been already built, and was then on duty. The Navy was to furnish plans and specifications within a certain time. These plans were long delayed and in consequence of defects observed in the Passaic, very essential changes were ordered by the Department, in the progress of the work on the monitors being built by the Secors. A large amount of extra work was therefore performed, and, notwithstanding these obstructions, the contractors pushed on the work and had the vessels finished and placed in the hands of the Government. Having finished their work the Secors made a large claim for additional compensation beyond the contract price.

These claims were of two classes, one for additional cost of construction under the contracts arising out of the extraordinary rise of labor and material, which took place in the delay by the government in furnishing the necessary specifications, and second, for the actual amount due for work and material ordered, furnished, and accepted entirely extra from and outside of their contract. The claim for extra work was paid by the department on bills certified by a board of naval officers, of which Admiral Gregory was in charge, and amounted in all to $521,195.58. The Navy Department therefore, prior to 1865, paid to the contractors of vessels the full contract price, and the whole amount due for extra work ordered by it as certified by this board, which superintended the construction of the vessels. This closed the matter at the Navy Department until the present Secretary opened it there five years ago. Secretary Welles, when called upon to explain his connection with these claims after it had been paid by Secretary Robeson, testified that he regarded the action of Admiral Gregory as final, and that the claim was closed. Mr. Lenthal, the Chief of the Bureau of Construction and Repairs, also testified that it was closed; the vessels had been delivered and accepted, and payment made, and the circumstance indicated a closing of the account. The testimony of Chief Engineer Wood, also shows that it was closed; the Messrs. Secors themselves admitted the closing of the account at the Navy Department, by appealing to Congress for relief in 1865, which was a formal abandonment of any further negotiation at the Navy Department.

A POWERFUL LOBBY.

At some time prior to March, 1865, the Secors united with some forty odd contractors, and appealed to Congress for relief, alleging that they had "suffered great loss in the performance of their contracts, over and above the contract price and allowance for extra work." This appeal for relief, Secretary Welles testified, was backed up by the strongest lobby he had ever seen or known about Congress, and nearly all these forty odd contractors complained, so far as the record shows, that the most of the work had not been fairly paid for. On the 9th of March, 1865, the Senate passed a resolution requesting the Secretary of the Navy to organize a board to inquire into and determine how much the vessels of war and steam machinery, contracted for by the Department in 1862-'63, had cost the contractors, "over and above the contract price and allowance for extra work," and report the findings to the Senate at its next session. None but those that had given satisfaction to the Department were to be considered by the terms of the resolution.

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It is important to note the terms of this Senate resolution, because it was the foundation of the whole legislation afterwards. It does not propose to examine any claims alone, but it undertakes to establish a principle upon which the whole controversy, with the iron-clad contractors, shall be settled. That principle is simply the increased cost of the vessel above the contract price and allowance for extra work. It aimed to put all the contractors on a level, and make them good for their losses, and Secretary Welles, in compliance with this resolution of the Senate, appointed a board, of which Commodore William O. Selfridge was President. The report of this board was sent to the Senate on the 30th of January, 1866, and it contained, among others, a report in favor of the Secors for $119,057 upon each of the three vessels, to wit: Tecumseh, Mahopac, and the Manhattan.

The report thus shows that it was made in pursuance of the resolution, and was an estimate of the additional cost of the vessels over and above the whole amount paid Neither the Senate nor the House was satisfied with the report of the Selfridge board, and an act was passed ordering a new investigation by the Secretary of the Navy. He was directed to ascertain the additional cost which had been necessarily incurred by reason of the changes and alterations in the plans and specifications, and the delays in the progress of the work by the government, which was not provided for in the original contract; and from such additional cost there was to be deducted such sums as had been paid any contractors over and above the stipulated price.

Truly there was no possibility of mistaking this enactment of Congress; the whole additional cost, means all extra work of every sort; no report could possibly be made under this law which did not include the entire cost of the work.

The Secretary of the Navy, Mr. Welles, proceeded to carry this law into effect by appointing a board of which Commodore J. R. Marchand was President.

A DISCHARGE IN FULL SIGNED BY THE SECORS.

This board reported its action to the Secretary, on the 26th of November, 1867, and the report was sent to Congress. It reported the amount of such increased cost caused by the delay in the action of the government, as determined by the board to be due in the manner of the vessels, Tecumseh, Mahopac, and Manhattan, to be $115,539.01. This report was laid before Congress and the whole matter was closed up by the passage of an act of July 13, 1868, which provided, among other things, that the Secretary of the Treasury should pay to Secor & Co., and to Perrine, Secor & Co., the sum of $115,539.01 IN FULL DISCHARGE OF ALL CLAIMS AGAINST THE UNITED STATES ON ACCOUNT OF VESSELS UPON WHICH THE BOARD MADE ALLOWANCE AS PER REPORT. Under this act the Messrs. Secor received the sum appropriated to them and thereby for all claims on account of the vessels Tecumseh, Mahopac, and Manhattan, being the vessels upon which the Marchand board made an allowance, as by the report above referred to. This discharge to the government by the Messrs. Secor was not on account of any particular claim, whether for damages or extra work but for all claims on account of the vessels. For the language used, to wit: "Full discharge of all claims against the United States on account of the vessels upon which the board made the allowance." If the language used does not reach and destroy every claim of every kind on account of these vessels, then it would be curious to inquire what words in the English tongue would do it?

VERY SUSPICIOUS INDEED.

The present Secretary of the Navy, Mr. George M. Robeson, however, determined to disregard this law, and without any authority of law, proceeded to appoint another board to report upon the same matter in respect to the claims of the forty odd iron contractors, but only so far as the Secors were concerned. Why Secretary Robeson selected the Messrs. Secor out of the more than forty odd contractors whose claims were disposed of in the Marchand report, it does not appear, and most assuredly lays his action open to reasonable suspicion. It seems almost unaccountable that the Secretary should have taken up this particular case after it had lain nearly five years in the Navy Department, three of which it had been in Congress gaining a very handsome sum while vegetating there. The board, of which Commodore Bogy was President, appointed by the direction of Secretary Robeson, on the 6th of August, 1869, convened at Washington on the 7th of that month for the purpose of examining the claims of Messrs. Secor & Co., and Perrine, Secor & Co. for extra charges under their contracts for the construction

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of the monitors Tecumseh, Mahopac, and Manhattan. This order distinctly opened the Secor account which had been closed by the Department and by Congress. The order also informed the board, "That the Department will send to the board the papers relating to the claims."

Thus it is made clear that this new board, appointed without authority of law, was to review the precise work of the Marchand board, which had been appointed in pursuance of law, and it was to act upon the papers in the Department which, as Mr. Lenthal, Chief Constructor under Secretary Welles, proved, were the same as both the previous boards had acted upon. The bogus board reported the result of their investigation to the Secretary of the Navy on the 20th of August, 1867, as follows:

REPORT OF ROBESON'S BOARD.

"The board has carefully examined and compared the bills of Secor & Co., for extras to their contract, for building the harbor and river monitors Tecumseh, Mahopac, and Manhattan with those paid Miles Wingood for extras to his contract for building the Tippecanoe, a vessel of the same class, and constructed from the same plans and specifications, both of which bills were forwarded by the board to the Navy Department, and find the accompanying items and amounts in a bill of Mr. Greenwood, which have been allowed and paid him, and not in the bills allowed and paid Secor."

This report is very significant; it shows what the board was to do had been predetermined. It was to allow Secor what had been paid to Greenwood by the comparison of bills only, and that the Greenwood bills were sent to the board for that purpose, and nothing else was to be done. The board was to sit down and gravely compare the Greenwood bills with the Secor bills, which no doubt had been copied therefor, and then report to the Secretary whether they were alike or not. On the 31st of December, 1869, Secretary Robeson sent a formal order directing payment to the Secors of the sum of $93,000, and that amount of money was taken out of the Treasury against the provisions of the plain statute, and it was done also against the custom and rule of the Department, that one administration shall not open accounts which had been closed by another—its predecessor. This money was taken out of an appropriation made by Congress to pay the current expenses of the Navy Department for the current year. Admiral Porter remonstrated against it, and the Chief Constructor, Mr. Lenthal, declared it illegal.

A CLEAN STEAL.

And thus the Secor claim, which had been brought before Congress, had been patiently heard and settled in full, again made the pretense of filching $93,000 from the Treasury of the United States, and as if to put themselves beyond all question, at the very time when the Secretary was paying the Secors the sum of $93,000 to which they were not entitled, the claimants were before the Senate Committee urging the passage of another act for their relief, and claiming that they had received the money under the act of July 3, 1868, "under the stress of an overpowering necessity," and the Senate Naval Committee in their report made on May 12, 1870, said, "That in law, such a receipt is a complete bar to all other recourse," and at this time no one knew that the Secretary of the Navy was paying for iron-clad contractors at his own discretion, while Congress was in session, and in spite of the law. If this Secor claim had been just, it would have been easy to have sent it to the Appropriation Committee in the usual way, but the Secretary was in hot haste and could not wait for the slow movements of that body, though it was in session at the time.

We cannot conclude this narrative without mentioning that when the Second Comptroller of the Treasury was questioned as to this illegal payment of the $93,000 to the Secors, he cut a very sorry figure, indeed. He knew very well that the $115,539.01, which had been paid the Secors, and for which they had receipted, was in full satisfaction of their claim on account of the three vessels named, and he had no right to pay them another cent.

Mr. Simeon M. Johnson, who was the moving spirit in pushing through the Hungerford claim, the particulars of which are given below, was entrusted with the management of this claim, on behalf of the Secors. The reader is requested to carefully peruse the letters and correspondence in the Hungerford claim, and also the testimony of Henry Sherman, recounting the intimate relations between Simeon Johnson and Secretary Robeson, which is detailed therein.

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THE HUNGERFORD CLAIM.

Especial attention is requested to the particulars of this claim, as illustrating in a lucid manner "the ways that are dark and the tricks that are not vain" in the Navy Department. From the proofs of the official papers which have been consulted and examined, it appears that Whipple & Stickney, as the attorneys of one Fayette Hungerford, a citizen of New York, had in their hands for collection a claim amounting to $230,000 against the Government. This claim was based upon losses sustained by Street & Hungerford, of Memphis, Tennessee, by reason of their property having been taken by the United States army upon their occupation of that city. A portion of this property came into possession of the navy, and some of it was removed to the naval station at Mound City, Illinois. Mr. Street was identified with the Confederacy, while his partner, Mr. Hungerford, was of undisputed loyalty. There is some informal evidence that Street, being behind in the partnership, assigned to Hungerford his interest in the claim in the instance above named, against the United States.

Whipple & Stickney obtained from Captain Patterson a statement of the fact that a part of the property was removed, as stated, to Mound City, the value of which he estimated at $75,000 (substantially this statement was afterward indorsed by Admiral Porter). Having so prepared their case, Messrs. Whipple & Stickney placed it in the hands of Simeon Johnson about February, 1871, understanding he had influence with the Department. At least on the 15th of February, 1871, Johnson writes that "I have presented Fayette Hungerford's papers to the Secretary, * * * but there cannot be an adjustment till after the 4th of March." Attention is called to letters and extracts from letters of Johnson in reference to this claim:

"1528 I STREET, *Washington*, *May* 3, 1871.

DEAR SIR: * * * I had yesterday and to-day discussed the case of Hungerford at the Navy Department—that is, the question of the sufficiency of the proofs. I found it worse than bad policy to press it during the session, and agreed to lay it over. Since the adjournment the Secretary has been absent or engaged, very, so that I have not thought it prudent to press it. The Secretary goes off to-morrow for a week. I am quite satisfied with the matter, except that it is not clear that there is any money to pay it. I think there is, and shall endeavor to find it in case I get an order.

Yours, truly,

S. M. JOHNSON.

JOHN WHIPPLE, Esq."

MR. JOHNSON REQUIRES A LARGE SLICE OF THE CHEESE.

"1528 I STREET, *Washington*, *June* 8, 1871.

DEAR SIR: I have encountered a good deal of trouble in your case, some of it I fear insurmountable. I find the inventory to cover a great number and a great variety of articles. Now, you know that appropriations designate especially to what ends they are to be applied. The chief appropriations are for "construction, equipment, and repairs," but many of the items do not come within that range. I have not consented to any division of the account. To do so will result in getting perhaps half of the whole, and result in the loss of the balance, or in sending you to Congress, which will be the same thing. I am satisfied that it will be fatal to the case to permit it to be divided, and if I go for the whole as a compromise, I shall be compelled to take less. I have made no proposition of compromise whatever, nor would I do so without your advice and consent. I wish you to consult your principal, and if he is willing to take $40,000 I will go to work on new propositions of adjustment. Meanwhile be assured that I will at any time surrender the papers without any compensation to myself. You do not view matters before the Departments with the same eye with which we regard them here. They are always difficult (old matters), and in nine cases out of ten it is impossible to work them out. I do not want to influence you or your client in the least, but viewing his matter as I do, I would think him lucky to get $40,000. I don't say I can get that, but I will make an effort at compromise if you approve it.

Yours, truly, S. M. JOHNSON.

JOHN WHIPPLE, Esq."

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MR. JOHNSON'S NOTION.

"1528 I STREET, *Washington, June* 9, 1871

DEAR SIR—I have looked carefully over the case, and to work it out I shall have a good deal of difficulty. My notion was that I would say confidentially that I must get for the claimant $40,000, and then must have enough more to pay my charges. This proposition I thought the best that I had any hope of getting accepted, and has the merit of directness so far as the claimant is concerned. A compromise needs a power of attorney, and to enable me to speak by authority I must have such power, which must be full; that is, 'to demand and receive of the Navy Department' the amount that shall be found due on the claim, giving me absolute power to adjust the same at my discretion. If you do not know with whom you are dealing, Mr Evarts, your near professional neighbor, who is familiar with such things here, can tell you.

I like to know exactly what I am doing, and hence I think it best to be armed with all power.

Meanwhile remember that there is plenty to do before I can hope for an agreement upon terms of settlement. The matter has to be worked up a little at a time; and as the inventory contains such a variety of things I must of course get the sanction of the accounting-officers of the Treasury to the payment when ordered. The Secretary has no power in himself to pay: he can only recommend payment, giving his reasons, which always have great weight.

Yours, truly,

S. M. JOHNSON.

JOHN WHIPPLE, Esq."

MR. JOHNSON ASKS FOR FULL POWER.

"1528 I STREET, *Washington, D. C., June* 17, 1871.

DEAR SIR—Your letter is received. I do not doubt your power. I have looked through the case and made up my mind that I can work it through so as to pay you $40,000; and in my calculation I intend to make $10,000 for myself, which will net me $8,000 when I get through. Now, what I want is a full power of attorney in my own name, with an agreement as above. Thus authorized I will proceed. I am certain that the terms I make are decidedly best for your client. If you and he think not, then I will surrender the papers. I have my own notions of fixing the matter, but I do not care to work it through and get nothing for my labor. If you give me power of substitution, you must send your power to do so. I must go upon the record with authority to 'demand and receive,' as well as discretionary power in the adjustment of the whole case. This power will enable me to work the case up to money, when you can be here to close the matter without any intervention of the client.

I hope now you understand exactly what I want. I might give you reasons for what I propose, but it is not necessary.

Yours, truly,

S. M. JOHNSON.

JOHN WHIPPLE, Esq."

A BROAD HINT.

"1528 I STEEET, *Washington, June* 22, 1871.

DEAR SIR—I received this morning your substitution of power; but I have failed evidently to make myself understood. I proposed to give your client $40,000; that amount to close his claim. I expect in reality to get $8,500. What amount of allowance I may get I know not; but of the amount I get allowed, your client will get $40,000, and I will get nominally $10,000; really, $8,500. It is utterly useless for me to undertake anything else, and it is not clear that your power covers the ground. I have to submit to terms, not dictate them. In order to get $50,000, all told, I have to give up all over that sum. I don't want to influence your action or that of your client in the least. It seems to me it is a great favor to you to get $40,000, but I do not propose to get it and lose not only my own fees, but as much more with it. The claim is very old, and after June 30, as I read the law, we shall be cut off, when the claim must go to Congress, *where it is really worthless.* I therefore want your prompt action. By the original arrangement I was to have $15,000 or $75 000; but the wording by your memorandum 15 per cent. I would like a prompt answer, as have but little time to work up the matter. So far from wishing you to confirm these terms I would prefer to surrender the

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papers, for really I do not like the case. But having gone so far, if you feel yourself authorized to say to me that I may collect the claim and pay you $40,000, I will proceed. Of course I do not wish you to understand that I can positively collect and pay you $40,000, *because I do not know that I can.* I have my own notions of the case; and as I see it, your client will be *very* fortunate to get that amount.

I want you to telegraph me, on the receipt of this, whether you have power to submit to the arrangement proposed; and, to-morrow, if you have the power, write me, accepting the terms.

Yours, truly,

S. M. JOHNSON.

JOHN WHIPPLE, Esq."

A COSTLY CHANGE OF TACTICS—NURSING THE CLAIM.

"1528 I STREET, *Washington, July* 1, 1871.

DEAR SIR—Your telegrams of yesterday and to-day were received and answered. I may now add that I have been pressing the Hungerford claim and expect to get the necessary reports within a few days It is just one of those old things which is valueless if not nursed and worked up with great care. I have undertaken it so as to secure $40,000 to Hungerford and leave myself out of it, beyond my expenditures, nominally $10,000, but really not more than eight. The truth is, in ordinary hands, the claim is good for nothing except to present to Congress which really makes it valueless. I am confident I shall work it off within a short time; and in doing so shall do your client a very great favor. I think I have gotten rid of the difficulty in the way of payment under the act of July, 1870, requiring unexpended balances to be covered into the Treasury. Looking over your power of attorney, I would recommend you to get from Hungerford an assent to receive a specific sum of money, on the basis of my payment to you when the claim is allowed, of $40,000. You can readily appreciate the difficulties in such case as this; and if it entails any trouble with Hungerford involving the question of your powers, I would much prefer to have nothing to do with the case. All I can pay is $40,000 to you, no matter what is allowed, and that you should distinctly state to Hungerford. My arrangement, verbally made, was $15 000 for my fee, and I then said it was hardly likely that more than $60,000 would be paid. I *found that, to get any sort of hold, I must change my tactics;* and to do so I would be required to incur a large expenditure. It was on this basis that I made known to Mr. Whipple the terms upon which I would proceed. The case was put into that shape that made it unpalatable; but as he assented to the terms giving to you $10 000 *maximum*, I have put the thing in motion. I have written you in all candor and to avoid all dispute. It is a question if $60,000 is allowed, or whatever sum, whether your power is sufficient to accept $40,000 and close the concern. Your authority through Mr. Whipple to me is absolute, that you will accept $40,000; and your power to compromise is complete, but it must be a compromise with the Government, not with me. You instruct me to settle on payment of $40,000 to you. That of course is sufficient for me; but I don't want to close out this thing and leave anybody to quarrel about. All old claims are suspicious; and any payment, if proclaimed, would be condemned. You understand me.

Yours, truly,

S. M. JOHNSON.

Please answer me.

A. STICKNEY, Esq."

The following telegrams were then sent by Mr. Johnson:

"WASHINGTON, *July* 6, 1871.

A. STICKNEY,

59 *Wall street, New York:*

When I want Hungerford will telegraph you; don't want any more papers, I think.

S. M. JOHNSON,
No. 1528 *I street.*"

The last telegram is July 13, 1871, and is as follows:

"WASHINGTON, D. C., *July* 13, 1871.

STICKNEY & WHIPPLE,

59 *Wall street, New York:*

Send your receipt to me for forty thousand in full, and draft attached to Riggs & Co., and possibly to-morrow, almost certainly Saturday, draft will be paid.

S. M. JOHNSON,

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1528 *I street.*"

On the 14th of July, Mr. Johnson received $75,000 for said claim, as appears from the approved bill on file in the Fourth Auditor's Office, among the vouchers of Paymaster Stewart. The following appears from

THE TESTIMONY OF THE FOURTH AUDITOR:

"By the CHAIRMAN:

Q. Will you look at the paper now shown you which is headed 'The U. S. Navy Department to S. M. Johnson, attorney for Fayette Hungerford, Dr.,' and state what paper that is? A. This is a voucher that came to me with the accounts of Edwin Stewart. It is his voucher to authorize the payment of that $75,000.

Q. Will you read it over to the reporter so that he may take a copy of it as it is? A. 'The United States Navy Department to S. M. Johnson, attorney for Fayette Hungerford, Dr., for property and materials furnished the naval station at Mound City prior to June 30, 1870, seventy-five thousand dollars. Total, $75,000. Approved in duplicate for $75,000, payable by Paymaster Edwin Stewart, at Washington, from the appropriation of contingent Yards and Docks, 1860-'70.

'GEO. M. ROBESON,
'*Secretary of the Navy.*

'NAVY DEPARTMENT, *July* 12, 1871.

Rec'd Washn., D. C., July 14, 1871, of Paymaster Edwin Stewart, seventy-five thousand dollars, in full for the above.

'S. M. JOHNSON,
'*Attorney for Fayette Hungerford.*

'$75,000.'

Q. Are you sufficiently acquainted with the signature of the Secretary of the Navy to state whether that is his genuine signature to that paper?

A. I have no doubt of it."

Upon the same day that Johnson received this sum of $75,000, he deposited $63,000, and paid draft to Whipple & Stickney of $40,000; and paid his check to some person unknown to your committee for sum of $11,591.61. Thus it is evident that Johnson, after paying the claimant $40,000, divided the remaining $35,000 between three parties, himself being one. *Who were they?* It is seen by reference to his letters that he says:

"*I found that to get any sort of hold I must change my tactics; and to do so I would be required to incur a large expenditure.*"

FORGERY OR NOT.

Who was the recipient of this expenditure? No outside party appears connected with the transaction as an actor. It is not seen or shown that any clerk or subordinate official had any connection with it. And, what is remarkable, while it appears that Johnson is *urging the claim upon the Secretary, in February and May*, 1871, the record shows *that the claim was not filed until June or July*, 1871. And in the opinion of Mr. Kerr, an expert, the original date was July 3. As it now reads it would appear to be dated June 2. Right in this connection let it be stated that the opinion of the Secretary, written on a half-sheet of paper, presenting marks that the other half of the sheet had been previously used, bears date June 20, 1871. Who had any motive to alter the date of filing if the real date was July 3? Looking to Johnson's letters and these circumstances, it is to be regretted that Johnson is not among the living to explain the meaning of his own letters, and to disclose who were the parties among whom he divided his fees and profits in this case, and the payment of which by the Secretary to him is of questionable right under the act of Congress of February 26, 1853. It is further questionable whether the Secretary had any right or authority under the law to divert the appropriation made for the contingent fund of the Bureau of Yards and Docks to the payment of said claim.

WHAT WAS ROBESON'S SHARE?

Taking it altogether, the Secretary adjudicating a claim of doubtful merit, when it should have been done by the accounting officers of the Treasury, designating an appropriation out of which it should be paid, that Congress had made for an entirely different purpose, directing the payment of it to an attorney of the claimant instead of the claimant himself, whereby the true owner was in a position to be defrauded, and all the surrounding circumstances, your committee can but express the moderate opinion that it is fortunate alike for the reputation of the Secretary and the public Treasury that there are no more such cases to be inquired after.

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SIMEON JOHNSON'S RELATIONS WITH SECRETARY ROBESON.

Mr. Henry Sherman, a lawyer, testified before the Naval Committee, in March, 1876, respecting Mr. Johnson, as follows:

"Q. Did Mr. Johnson have a large business before the Navy Department? A. Yes, sir; he claimed to have a great amount of business before the Navy Department, and often told me that he could get what he wanted; when the investigation of the Secretary took place in the previous Congress, it advanced to that point where Johnson's connection with the Navy Department was being given in evidence (investigation of 1872), and the Secretary (Robeson) made an objection that the correspondence of a dead man could not be given; that cut the investigation right down.

Q. Do you know from observation or otherwise the relations of Mr. Johnson and the Secretary of the Navy? A. I know that he had the privilege of going in and out whenever he wanted, when other people could not get there; for instance, I had a claim before the Navy Department which had been entered there for some time, and Mr. Johnson stopped me on the street, and said, 'Sherman, you have a claim before the Navy Department;' I said I had; said he, 'I will tell you what I will do; Robeson will do anything for me; if you will give me half your fees, I will get it through in a very short time; I replied, that I did not want to give away my fees, and I did not want any assistance; that I was competent to judge, and felt satisfied that the claim ought to be paid; but, in order to test his 'influence' I said 'How have you any more influence than anybody else?' He said, 'You come down with me and see.' Well, he took me down and went in on the side door without knocking, and began talking to the Secretary about it; I saw that the Secretary was disposed to listen, and I came away; but I refused to make any arrangement with him.

Q. He was connected with a large number of claims, was he not? A. Yes, before the Navy Department; I know the remark was made after his death that he must be worth a million, because he pretty much ran the whole Department.

Q. Do you know of any corruption in the Navy Department, of your own knowledge? A. No, I do not know of any; I do not know as it is well for me to state what Mr. Johnson said to me, for he is now dead, after he got the Secor case through.

Q. Do you know whether or not Mr. Johnson was on terms of intimacy with the Secretary of the Navy, and if you do, state what evidence you have of it? A. I live at No. 1536 I street, Mr. Johnson lived at 1530 I street, and at 1532, on the same street, and in the same block, the Secretary of the Navy lived, directly opposite Mr. Johnson; I saw them day after day going arm and arm in the street; I saw the Secretary frequently going in Mr. Johnson's house, and Mr. Johnson to his house, but as far as intimacy between them was concerned, it was decidedly an intimacy.

JOHNSON'S GREAT INTIMACY WITH ROBESON.

Q. Mr. Johnson professed to you that he was intimate with the Secretary? A. He professed to be on very intimate terms with the Secretary of the Navy on all business matters, both official and social.

Q. Did Mr. Johnson go to you and the Secretary at any time with respect to any claim pending in the Navy Department; if so, what was the mode of your entrance? A. I went in together with Mr. Johnson in the Navy Department, to see the Secretary about the claim of Peter Duffie; Mr. Johnson told me that he could get the Secretary to take it up, and I went there with him; he went in without any formality, and just as though he was at home, as much so as if he had been the Secretary's private secretary; when he spoke to the Secretary about the claim, the Secretary said he remembered there was such a claim, and after some conversation he said, 'Suppose you bring it up;' this was addressed, following up his conversation, to Mr. Johnson, because the remarks or conversation were between him and Mr. Johnson.

Q. In going to see the Secretary at that time, did you go there through the regular or formal mode, or by any private entrance? A. We went first through the chief clerk's room, and then through the private room which led into the Secretary's room.

Q. You did not go through the door which the public generally entered? A. I did not go through the door of the ante-chamber, as they call it—the place where parties send in their card and wait to be admitted—but through what I call the private entrance.

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Q. After the Secretary had said to you, you had better bring up the claim, did you attempt to bring it up? A. No, I did not; because I told Mr. Johnson there was no use in doing that, as I would not pay a cent of my fee as attorney, to any one; that this was a just claim, and should be paid any way, but the claim has never been paid.

Q. Did Mr. Johnson intimate to you that if you would divide with him he would 'put it through?' A. Yes.

Q. I understand you as having refused to make any arrangement with Mr. Johnson? A. Yes, sir

Q. And that you made attempts afterwards to have the claim put through, but it was never put through? A. I went there after that and asked the Secretary to take up that claim, but he declined to take it up; I have done that within the last year, since Mr. Johnson's death."

THE NAVY DEPARTMENT TURNED INTO A STOCK JOBBING INSTITUTION—SECRETARY ROBESON AND JAY COOKE & CO.

The foreign account, which, under the present administration, has involved an ex enditure of several millions of dollars annually, was, previous to May, 1871, kept with the celebrated banking-house of Baring Brothers & Co., of London. This firm had been since 1815, decided friends of the United States, and by liberal and assiduous efforts had largely contributed to the maintenance and advancement of the credit of our government; and it becomes important to inquire why fiscal agents, so faithful and entirely responsible, should have been discontinued as such by the present Secretary of the Navy, and our foreign account turned over to the house of Jay Cooke, McCulloch & Co. It is ce tain that at the time of this change in May, 1871, the latter firm was not to be compared with the former in credit, standing, and capital. It is very evident, by the proof in this investigation, that the house of Jay Cooke, McCulloch & Co. was a mere offshoot of the house of Jay Cooke & Co in America, neither of which had any capital stock, but did business on the credit and advances of the individual partners; and the circumstances warrant the conclusion that the London branch of the concern could not have established and run their business without the funds turned over to them by the Secretary of the Navy on the said foreign account. It is true that they ostensibly beg n with the capital of a million dollars advanced by the present house of Jay Cooke & Co.; but so soon as their financial credit was bolstered by their appointment as the new fiscal agents of the government, and remittances began to be made by the Navy Department at the rate of something like one million for every quarter, their original million advanced to Jay Cooke & Co. was not only drawn out by them, but at the time of their failure they were indebted to the London branch in a sum amounting to about $1,800,000, subject to a deduction by sundry collections made. A further fact tending to show that the Secretary of the Navy stood as sponsor to this bantling in London is that his special friends the Cattells, became the sureties on their bond to the Government of the United States in the sum of $100,000. The Secretary, in his endeavors to justify his conduct in this matter before the American people, has stated in an official communication, that his "reasons and purposes" for the said change of fiscal agents are set forth in the letter of the Department dated May 15, 1871, to Messrs. Baring Brothers & Co. By reference to said letter we find the following on this subject: "I beg to assure you that this change in no way grows out of any dissatisfaction of any kind on the part of the Department with your house which has for so many years and so acceptably transacted its foreign financial business, but is the result solely of the opinion entertained by the Department that the establishment in London of respectable houses of purely American origin and character makes it in every sense becoming and desirable that the government business should be intrusted to some one of them."

It is not easy to understand what the Secretary means by "houses of purely American origin and character," while the evidence shows that Mr. Puleson and Mr. Evans were members of the firm of Jay Cooke, McCulloch & Co, both of whom are British subjects, and one a member of Parliament With due respect for the Secretary, we are of the opinion that the true reasons for the change of foreign fiscal agents are not to be found in the official communications of the Secretary, but in his

REMARKABLE LETTER TO HENRY CLEWS,

of May 23, 1871, that part of which, giving his reasons, we here set forth verbatim:

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"MY DEAR CLEWS: I have your letter of the 19th instant, in regard to the appointment of a fiscal agent of the Government abroad. I am sorry I was absent when you were here, for I could have explained to you personally much more fully and satisfactorily the situation of this matter. The truth is, that the Navy Department really has no fiscal agent abroad, but has hitherto kept its account with Baring Brothers & Co., of London. This account I transferred about the first of the present month to Jay Cooke's house abroad. This I did for the broadest political as well as financial reasons, looking to the good of the service abroad as well as strengthening the party and administration at home. The house of Jay Cooke & Co. has, as you know, large and extended interests and influence throughout the country. Their connection and influence with the national banks; with the Pennsylvania Railroad, which controls the State of Pennsylvania, and which, absorbing the Camden and Amboy Railroad, now controls New Jersey, and stretches from its western terminus across many of the Western States far toward the Pacific; their interest in the Northern Pacific, and their general interest in the country, make them very powerful friends where actively interested in the success of the administration, and dangerous enemies, in vital localities, when indifferent or unfriendly. These were some of the considerations which influenced me, and which would have still influenced me had I known of your application, which I did not at the time when I acted. In addition to this, they are entirely an American house, without any connection with any foreign person or interest, and having been largely connected with the financial operations of the government during the war, and contributing largely to its success in connection with local men like yourself, it seemed to be proper, under the circumstances, that this account should be given to them."

VIOLATING THE LAW.

In making the appointment of Jay Cooke, McCulloch & Co. as foreign fiscal agents of this government, we have another instance of that disregard of law which has characterized the administration of the Navy Department by its present incumbent. The United States have provided since 1844:

"That no person shall be employed or continued abroad to receive and pay money for the use of the naval service on foreign stations, whether under contract or otherwise, who has not been, or shall not be, appointed by and with the advice and consent of the Senate."

This statute was not in force in 1815, the time when Baring Brothers & Co. were designated as our fiscal agents abroad.

On the 18th of September, 1873, came

THE FAILURE OF THE HOUSE OF JAY COOKE & CO.,

and with it the great panic; and the doings and proceedings of the Navy Department at that time in connection with the branch house in London were of a most extraordinary character. In the opinion of all fair men he conduct of the Secretary betrayed a greater anxiety to assist Jay Cooke, McCulloch & Co. with additional funds of the United States to tide over a crisis, and to secure for his friend, A. G Cattell, the control and manipulation, as agent and attorney of the Navy Department, of many millions' worth of collaterals, consisting of banking paper, twenty-three thousand tons of railroad iron, and the individual estate of McCulloch, and of the partners of Jay Cooke & Co., in America, than to protect the public interests. The said Cattell also received from Jay Cooke, McCulloch & Co. two and one-half per cent. commission on all sales of these collaterals. It is proper here to refer to the statement of the Secretary, as made out by himself, and then refer to the proof *aliundi*, and let Congress and the people decide this issue. In order to fairly understand this matter it is necessary to ascertain the exact state of the account between the Navy Department and Jay Cooke, McCulloch & Co., on the 18th of September, 1873, the time of the failure of the parent house in America. The daily balance, as the records of the Treasury Department will show, on that day was £35 638 6s., or about $180,000 in favor of Jay Cooke, McCulloch & Co. These records further show that this balance slightly increased to the 22d of September, when on that day it shifted and became in favor of the Government to the amount of £166,932 2s. by a cash payment on the part of the Government in the sum of £205,714 5s. It is true that this last payment of over two hundred thousand pounds was upon requisition No. 2024, drawn July 2, 1873; but the draft given therefor payable to Jay Cooke, McCulloch & Co. was on time, and not actually paid (as the rec-

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ords show) till September 22, 1873, four days after the failure of Jay Cooke & Co. There is no evidence that this draft was negotiated before maturity, or had passed into the hands of innocent holders for value; and if its payment had been inhibited previous to the 22d of September, the Government, instead of being a creditor of Jay Cooke, McCulloch & Co., on that day in the sum of £166,932 2s., it would have been their debtor in the sum of £37,758 6s. But suppose it was not possible to have stopped the payment of the draft on the 22d of September (and of this there is no proof), and the Secretary of the Navy found at that date the Government to be a creditor of the London concern to the amount of £166,932 2s. Now, we submit that if his sole object had been to save the Government harmless, it was not the part of prudence and common sense to make an additional advancement to the firm of £219,199 11s. 11d., as shown by his own figures, thus swelling the debt due the Government to the amount of £386,131 13s. 11d., or about $2,000,000. If the firm had the ability to secure the latter sum by good and sufficient collaterals, as is maintained by the Secretary, they could have more easily secured the original indebtedness, £166,932 2s., which is nearly two-thirds less. Could any stronger proof be desired to show that the Secretary, in order to save

JAY COOKE, McCULLOCH & CO.,

and obtain possession and control of the largest possible amount of assets as collateral, was willing to turn his Department, with its funds, into a huge temporary banking and stock-jobbing concern. The Secretary stood ready to accommodate them, in the most prodigal manner, with advancements on collaterals, which could not have been available to them for even a small proportion of the amount so advanced, in any bank in London or America at that time. But the Secretary further claims that it was necessary for him to make this advance of £219,199 11s. 11d., in order to protect the drafts drawn by our paymasters of ships and squadrons in foreign ports on Jay Cooke, McCulloch & Co., and thus save the credit of the Government. This we regard as a pretext. The proof shows that this entire amount went solely to the firm, and not a cent of it was used to pay such drafts. The vouchers of Paymaster Cutter, at New York, show that between September 24, 1873, and December 6, 1873, he remitted to Paymaster-General J. O. Bradford, by order of the Secretary, the sum of $2,100,000, or £435,345 17s. 1d.

According to the evidence of said Bradford and the Secretary, the £219,199 11s. 11d. was turned over to Jay Cooke & Co. for their own use, and, of course, to keep them above water; and the rest of the amount so sent was applied by Bradford (as he swears) to the drafts of paymasters drawn at foreign ports. In fact, the vouchers of Cutter show that he forwarded to Paymaster-General Bradford, between the 24th of September, 1873, and the 11th of March, 1874, the enormous sum of $4,228,621.43. The only reason at all plausible, as tested by law, that could be given by the Secretary to justify the use of money through the paymaster at New York in foreign lands, was to meet the expenses of ships and stations abroad; but in addition to this he requires to be sent to Jay Cooke, McCulloch & Co. over one million of dollars for no such purpose—his sole object being to

SAVE THEM AND THEIR BONDSMEN, THE CATTELLS,

from financial embarrassment and disaster. It is strange that the Secretary should boast in his statement "that the said firm *continued* to pay the navy drafts in regular course," when the bureaus at home were being taxed to the utmost, in order to supply out of their regular appropriations Paymaster Cutter with funds to be hurried to J. O. Bradford, whose only business in London (kept there at Government expense) was to pay the acceptances of that "said firm," which, as the Secretary informs us, was "purely American in its origin and character." Such an administration of the Navy Department is also peculiarly "American in its origin and character;" for truly no potentate of Europe would have ventured upon such an unwarranted use of public money.

The Secretary says further in his remarkable statement that—

"The regular time for a new remittance to the said foreign account in usual course came about the 1st of October, 1873, and the Department was then applied to by the representatives of said firm to make such new remittances, but declined to do so at that time, though our navy drafts were still paid in due course by said firm as our agents aforesaid. About the middle of said month of October, 1873, however, it became necessary either to make new remittances to said account, or allow our agents to stop the payment of our drafts."

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In the foregoing the Secretary is peculiarly unfortunate. The day before the panic he had started to said firm in London a million of dollars, but the next day the Secretary of the Treasury ordered it stopped at New York *in transitu*. Paymaster Cutter shows that between the 24th and 27th of September, 1873, he sent forward, upon the requisition of the Secretary of the Navy, more than a million dollars, and on the 6th of October remitted an additional amount of $381,333.35, all of which went to the foreign pay account—in fact over a million of it to Jay Cooke, McCulloch & Co., very little of it being actually used by Bradford to pay our foreign drafts. What further proof could be required to exhibit the looseness and unreliability of the statement of the Secretary in explanation of conduct concerning this whole matter of the foreign fiscal agency and account?

FRAUDS AND ABUSES—SWINDLING CONTRACTORS AND THEIR MODUS OPERANDI.

To attempt to itemize all the abuses and frauds which exist in the administration of Secretary Robeson as they were presented to the Naval Committee, would occupy more space than can be allowed in this sketch. We are therefore compelled to refer generally to their existence, as proven in the most conclusive manner by unimpeached and uncontradicted witnesses.

Mr. Robeson, it will be shown, is responsible for the following abuses:

He has disregarded the law in failing to advertise for supplies, materials, and other articles required by the Department.

He has failed to require proper bond and sureties from those who made contracts and agreements with the Department—none being required in the majority of cases.

He has not in a single instance prosecuted and enforced the law against defaulting contractors.

He has made payments in advance of work and complete delivery, a bare-faced instance of which exists in the case of the contractor for the destruction of the "Hero" and the "Piscataqua" at the Washington Navy Yard, the contractor in this case dropping the job when it ceased to be profitable, and leaving the Government without any adequate protection against his default.

He has permitted contractors to be relieved from the fulfillment of their contracts, when it was apparent that their failure to do so, originated from a fraudulent purpose, that is to say, under the prevailing system of inviting bids at the regular annual letting, the different classes were made out, some of which included in the schedule a number and variety of articles. A knowing or favored contractor would take a certain portion of the articles which he knew would be fully and possibly in excess, demanded, and upon these he would fix large profits. Upon the remaining articles he would fix prices far below cost, knowing they would not be demanded or that he would be relieved from performance. An honest bidder, not so well posted, arranged his bid with reasonable profits on each article. At the Department both bids being opened, both are scaled and averaged, and thus it would result that in the aggregate the bid of the knowing favorite was the lowest, and the contract would be awarded to him. But when the day of performance came, the Department excuses him in his failure to deliver certain articles, while Mr. Contractor took care that those he did deliver would be articles upon which he would make large profits. This point is very fully elucidated in the testimony of Contractor Hart of the Philadelphia Navy Yard, viz.:

"Q. State if a practice of this kind existed among contractors, and if your attention has been called. A contractor with the Navy Department only got one of the clas es in which there are a number of articles, makes a bid, as we will say, for a part of it, in which he makes a very fair and large profit. A number of other articles are below the market prices; the rule of the Department being to take the bid and scale it, that is, take its average. Then when the contractor goes to fill his contract he delivers the article on which he makes a profit, but fails to deliver the others? A. Very often we have trouble on that score.

Q. Thereupon, being discharged from the obligation of his contract by the Department, he has made a good thing of it? A. We often have trouble, and when we come to examine into it, we think that that is the case. If they make nothing on some articles and very much on others, they get clear of delivering the losing articles until the necessity for it has passed away, and we have had to utilize something else. We have probably got up our work of whatever it may without it, and then when the necessity is gone, we don't want the articles."

This was a trick somewhat similar to that of the Canal Ring at Albany, until Mr. Tilden broke them up, as he will the Navy Ring when he becomes President.

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INSPECTIONS A SHAM—ORVILLE GRANT.

Secretary Robeson has permitted the practice of gross fraud and abuses by sending away from the regular places of duty the inspectors of timber, as was done in the case of Constructors Brown and Biglow, Orville Grant and G. T. Wallace. The same contractor, Hart, whose testimony has just been quoted, and who says that this practice is entirely novel, was ordered to the swamps of Louisiana to inspect live-oak under a contract made by S. P. Brown, of Washington, and sold by him at a profit to J. Biglow, of Newberg. The alleged purpose of sending contractor Hart to inspect the Louisiana timber was to protect the Government and save expense. Yet it is to be noted that while Mr. Hart certified to the Department one amount, the Department paid Biglow for another, a larger one amounting to several thousand dollars. If Mr. Hart's measurement was not to be taken, what was the necessity of sending him to Louisiana, or why was the excessive bill paid without first requiring an explanation from him? There was evidently a fraud in this, with the active or passive connivance of the Chief of the Bureau.

Contractor Hart, who was examined on this subject, testified as follows:

"Q. These contracts were in the name of S. P. Brown? A. Yes, sir, and if my memory serves me right, by an arrangement between Brown and Biglow, Biglow filled them for Mr. Brown.

Q. You were detailed or ordered by the Department to go to Louisiana to inspect and measure the timber previous to shipment? A. Yes, sir.

Q. Was it not somewhat extraordinary that you should be required to measure and inspect it upon the ground? A. I thought so at the time.

Q. Was it not the rule, usage, or regulation of the Department that the timber shall be measured and inspected when delivered by the contractor at the point named in his contract for delivery? A. Yes, sir; it has always been arranged so; I had never known any other rule but that.

Q. What possible motive or purpose could there have been for assigning you to that duty? A. That is more than I could tell you.

Q. Was there any advantage to the contractor, or disadvantage to the government in requiring you to perform it? A. There was an advantage to the contractor, I think.

Q. In what did that advantage consist? A. He got his certificate and appraisement before the delivery, and he had the use of the money a good time, six (6) months; that is my understanding of the business, although I do not know anything about it; that is simply an assumption; I would be glad to get a hundred thousand dollars, more or less, six months before it was due.

Q. Was that a large contract? A. It amounted to considerable money—I forget how much timber—I think it was about 60,000 feet, more or less.

Q Following up that timber to Mare Island, I will ask you if the quantity of timber delivered at Mare Island was not larger than the quantity of timber that you inspected and shipped from Louisiana? A. I do not know that of my own knowledge.

Q. What information have you on the subject? A. I was told that it was larger; it was found to be larger upon remeasurement.

Q. Did you make a report to anybody of your action in the swamps of Louisiana during the time you were so inspecting? A. Yes, sir; I made report to the chief of the bureau of the quantity of timber measured and inspected and aboard the ship. They had to carry it forty miles at sea to put it aboard the ship. I made a certificate of that fact.

Q May it not have been that timber was put aboard of a ship going to Mare Island that you had not inspected? A. There was a discrepancy in the measurement of the number of sticks signed for by the captain in one case. He signed for, I think, two sticks more than I had in my account. How they got them, I do not know. They made a miscount, or I did.

Q. Is that the extent of the discrepancy? A. Yes, sir; and as there were four or five sticks missing, which I have also a record of, that more than counterbalances that.

Q. Then, if the timber increased in quantity from Louisiana to California, would you say that was the result of climatic influence, or defective or fraudulent inspection at Mare Island? A. I will say that my inspection was correct, and that there was not any amount of timber over and above what I measured there, because I had no disposition and no desire to cheat the contractor. I wanted to do what

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was fair and right by him. He was at my elbow invariably, or his agent. He had a desire and an intention to cheat me; that I know.

Q. You say you know that? A. Yes; I know it."

A GRAVE ABUSE.

J. Bigler (Miscellaneous, p. 129) gave the following testimony in relation to the same matter:

"Q. Do you remember a large quantity of live-oak that was surveyed for you, or inspected by Mr. Hartt at Pensacola, that you afterward delivered? A. Yes, sir; not at Pensacola; down in Louisiana; yes, sir; I shipped two cargoes to California that he surveyed there; that was on a contract got by S. P. Brown; I did not furnish it to the government; I furnished it to Brown; he had a contract; he bid at a large meeting; I should think it was four years ago, and he was the lowest bidder, and the bid was awarded to him; he got W. C. N. Swift to furnish part of it, and I furnished part of it; the part I furnished appeared in my name; I would not furnish it to him without a power of attorney, irrevocable, because Brown owed me a large amount of money; and I would not furnish it in any other way than that the bills should come to me; and, therefore, I shipped that stuff to California, really—not in my own name, either—but I collected the money, and paid over his portion of it, and kept the balance, and I kept out of it the money that he owed me.

Q. When that lot of timber was inspected in California, did not it turn out more than the measurement of Mr. Hartt? A. Yes, sir; because there were a good many pieces that Mr. Hartt never measured at all, and we knew it at the time; it was through carelessness on account of his not being on hand.

Q. How much was that in excess after it reached California? A. It was three or four thousand feet only.

Q. Did not that amount to about the sum of $15,000? A. No, sir; nothing of the kind.

Q. How much in dollars did it amount to? A. I think it amounted to between $6,000 and $7,000."

The timber inspector at the Philadelphia Navy Yard has arranged to go into the State of Delaware to inspect live-oak *knees* for Mr. Orville Grant, brother of his Excellency the President, the expenses of the inspector being paid by Mr. Orville Grant; and the timber inspector of the Norfolk Navy Yard is permitted to go on a tour of inspection for Mr. Wallace.

If there be no other than this, this alone is sufficient to make it a grave abuse. What rights or privileges should these gentlemen have other than other contractors? Or, if it be right in this, why not send the inspectors of timber in every instance and to every contractor.

THE NAVY YARDS USED AS POLITICAL MACHINES.

The prostitution of the navy yards of the country for partisan ends, was carried such an extreme length that it became necessary several years ago, in response to the popular demand, to reform the gross abuses existing in this regard, and Congress by several enactments, to wit: In March, 1867, in June, 1868, and in May, 1872, provided, among other things:

First, That master workmen in the various navy yards should be men skilled in their several duties.

Secondly, That no officer or employee of the Government should require any workman to contribute any money for political purposes, and that no workman should be removed or discharged on account of his political opinion, and

Thirdly, That laborers should be employed in the several yards by the proper officers in charge, with reference only to skill and efficiency, and without regard to other considerations

The passage of the above laws, instead of correcting the evils aimed at, has really operated to make the management of the yards more corrupt and more criminal than ever.

Secretary Robeson, as will be shown hereafter, has openly, defiantly, and corruptly disregarded every provision of the laws just cited.

From an examination of the navy yards upon the Atlantic coast, recently made by the Naval Committee, the fact has been established that fully $1,000,000 a year has been abstracted from the Treasury for corrupting the voters of the country, and which has been willfully done in the face of the law, and for the sole purpose of enabling the Republican party to control the elections.

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HOW THE THING HAS BEEN DONE.

Orders for the employment of labor, and the assignment of the amount of money to be expended at the different navy yards, are made by the Secretary of the Navy through his heads of bureaus. No Commandant of a Navy Yard, or any officer there, can originate any work, or determine the amount of money to be expended. This has been done entirely by the Department at Washington. Hence, when any political purpose is to be attained, as, for instance, at Norfolk, when an election is pending, "Galena," a vessel that has been nominally undergoing repairs for the last three or four years, is ordered by the Department to be worked upon, and a given amount of money is set apart for that purpose. In like manner at Boston, the "Virginia" is ordered to be worked upon, on the eve of a Massachusetts election, and so on at all the other navy yards.

By reference to the following table, which was furnished to the Naval Committee by the Fourth Auditor of the Treasury, a comparison will be found of the rolls of the employees at the different navy yards for certain months in election years, with the rolls for the corresponding months in other years, when no important election has occurred:

Tabular statement of the Number of Employees at the Navy Yards below mentioned for the specified months, as requested by the Chairman of the House Committee on Naval Affairs, compiled from the rolls on file in the office of the Fourth Auditor of the Treasury.

	Navy Yard, Portsmouth.	Navy Yard, Boston.	Navy Yard, New York.	Navy Yard, Philadelphia.	Navy Yard, Norfolk.	Navy Yard, Mare Island.	Total.
September, 1872	1,318	1,483	1,619	1,552	936	1,172	8,080
October, 1872	1,424	1,666	1,799	1,637	1,126	1,570	9,222
November, 1872	1,096	1,682	1,696	1,000	1,052	1,180	7,706
December, 1872	619	1,221	1,140	551	495	596	4,622
September, 1873	1,213	1,694	2,016	783	1,189	1,071	7,966
October, 1873	1,220	1,770	1,982	928	1,351	1,170	8,421
November, 1873	823	3,118	2,275	1 407	1,153	996	9,772
December, 1873	1,147	3,853	3,277	1,710	1.299	868	12,154
September, 1874	914	1,130	996	410	974	764	5,188
October, 1874	496	1,295	1,221	538	1,195	760	5,505
November, 1874	276	841	903	556	817	705	4,098
December, 1874	260	434	846	356	571	699	3,166
September, 1875	641	846	1,290	752	636	757	4,922
October, 1875	750	878	1,364	908	905	563	5,368
November, 1875	717	959	1,373	896	763	494	5,205
December, 1875	528	1,034	1,236	(*)	549	358	3,704

*Broken up on the 1st December.

It will be observed that the total average of employees for the month of October, 1872, pending the presidential election of that year, was 9,222, while for October, 1874, the number was 5,505.

The above list does not include the large number of persons employed in clerical capacities, the number of which is likewise swollen to meet the exigencies of party politics. These facts will be made sufficiently evident by reference to the testimony taken on this subject by the Naval Committee at the various navy yards.

MAINE AND NEW HAMPSHIRE REPUBLICANS USING THE KITTERY NAVY YARD.

The following is an extract from the examination of Constructor Webb at the Kittery Navy Yard:

"Q. While you were at Kittery did you note the fact that during the time elections were pending in the State of Maine, laborers, mechanics, etc., were employed from Maine in excess of those from New Hampshire, and when the election was pending in New Hampshire you took on men from that State in excess of those from Maine? A. Such was the case.

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Q. Do you know whether the fact exists that a contest of either political party has in any way interfered so as to determine the selection of the labor employed? A. I know the fact exists, by information derived from the Commandant of the station.

Q. Did you ever know of a meeting to occur in the office of the Commandant of the navy yard at Kittery, in which politicians either of New Hampshire or Maine were present? A. I was so informed by Commodore Pennock that such was the case.

Q. Did you see a list that was furnished at that meeting? A. I was furnished with a list by the Commodore of the station, which was addressed to him by a committee.

Q. That was a list of men to be taken on for work? A. A list of men to be employed.

Q. Did it not come to you in the first instance, and you refused to recognize any possible authority? A. It did.

Q. Did you not demand that it should have the sanction of some other authority? A. I sent it back where it came from, with word that it must be addressed to the commanding officer of the yard, as I received no such communications.

Q. And subsequently it came to you through the Commandant, did it not? A. The same list addressed to the Commandant came to me.

A THIEF REINSTATED BY SPECIAL ORDERS FROM WASHINGTON.

Q. Do you know of the discharge of any men for any cause whatever, who were afterwards, by orders from superior authority, taken on again? A I do. I have in view one case of a man named Weekes, who was discharged, after investigation, for stealing. He was afterwards ordered to be employed in my Department.

Q. By whose order was he returned? A. By the Commandant's orders to me; I take orders from nobody else.

Q. Have you any knowledge from whom the Commandant received his orders? A. He informed me that he received it from the Department."

Major Fairfax gave the following testimony:

"Q. What are those abuses? A. The unnecessary number of men employed prior to elections.

Q. Is that a matter within your own personal observation? A. Yes, sir; at the Kittery Navy Yard. I was there two years, and witnessed the constant interference on the part of Mr. Hanscom, in discharging and employing men. He often took on worthless men instead of good men. I have an impression that Mr. Robeson, being a very indolent man, and not attending to his duties, has allowed abuses through these bureaus. There are good, honest men in the navy yards that cannot give information, in consequence of their not being acquainted with the books; instances of material having been received when it ought to have been rejected."

ABUSES AT PORTSMOUTH, BOSTON, AND BROOKLYN NAVY YARDS.

Captain HENRY ERBIN was examined as follows:

"Q. Do you know of any abuses in the navy yard at Portsmouth, at Boston, or anywhere else in the United States, in any of the navy yards, that you can give information about to the committee? A. I know none at Portsmouth, because I have but recently reported there. I have known men taken on at the New York Navy Yard, when I could not see any necessity for their employment at that time, and discharged after a week or two. They would be taken on a week or two preceding an election, and discharged immediately after.

Q. How many would be taken on? A. To my recollection, quite a large number. I suppose it would be safe to say four, or five, or six hundred. When those men would get paid for the afternoon by a circular letter, when they did not work, which I thought was not right.

Q. Who had charge of that business? A. That was by a circular letter issued by the Navy Department, that the men should go out to vote, and should be given a half day's pay.

Q. That was on election day? A. That was on election day! I only know one case where a place was made for a man by the Bureau of Construction, as master of ship-keepers—an unheard of thing.

Q. Was that in New York? A. Yes, sir; a man came there from New Jersey and took the position.

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Q. By whom was he appointed? A. He came appointed by Mr. Hanscom, as master of ship-keepers; I don't recollect what his salary was, but at all events it was equal to that of a captain of watch, if not more. The man never attended to any business there whatever. He came when he wanted to and went when he pleased."

As the existence of these abuses will not be questioned by even Mr. Robeson himself, it is not necessary to multiply proof of this kind indefinitely, as we could do, from the immense mass of testimony taken by the committee.

Thus were the honest and industrious mechanics of the nation deprived of the means of supporting themselves and their families, for several months in the year, in order that the party in power might secure the votes of vagabonds and loafers, turn out worthy mechanics who desire to seek employment at the navy yards, and who would serve the Government honestly and faithfully, are two or three months in the year informed that they cannot be employed, because the appropriations have been expended; whereas, as the reports show, the pay-rolls of each navy yard contains the names of several hundred men who performed no work whatever. If no other cause of complaint existed against the present administration of naval affairs than that which could be made by the worthy and thrifty mechanics and laborers of the country, that alone is so just and weighty, that it should at once arrest attention, and call forth the support of the honest working classes to the election of him whose past record is the best guarantee that he will correct and reform these great abuses.

NAVY RING—BRIBERY OF NAVY CLERKS.

Under Secretary Robeson's management, the greatest care has been taken to distribute the large sums of money appropriated by Congress for the Navy, among a very small ring of contractors. who have fattened, some of them to prodigious size. As these few have become celebrated by reason of the many millions of dollars they have received, and for which they rendered a very insignificant equivalent, it is but proper that the tax-payers of the country should know their names, which are W. C. N. Swift, J. Bigler, S. P. Brown, A. P. Brown, Prickey & Jewett, William Mathews, George H. Creed (a partner of Raymond), G. P. Goff (whose capital is in part supplied by Raymond), J. Roach, J. W. Gaskill & Sons, Noblitts, G. F. Wallace, and one or two others who are apparently favorites at the departments; while at Norfolk, A. H. McCulloch, and E. V. White & Co.; and at Philadelphia, Street & Co., Dell Noblitt (and various firms of which he is a member), Stetson & Co., and McKnight, are local favorites.

Some of these gentlemen obtain their contracts through the friendship of Secretary Robeson, and others through the good offices of E. E. Cattell with the Secretary, of which we shall have something to say later on, and others through bribery, whilst one or two are awarded contracts on the square, just for the sake of appearances.

Messrs. A. P. Brown and S. P. Brown, of Washington, who were very intimate friends of the Cattells, obtained contracts from the Navy Department for supplying it with wood, coal, etc.

In the testimony of Mr. Elchias Wolfe, their clerk, it transpired that the Messrs. Brown entered into a very snug arrangement with two clerks in the Department, by which they were certain to be awarded any contract for which they were competitors.

Mr. Wolfe was asked by the Committee to tell all he knew relative to the matters involved, and replied as follows:

"In 1869, '70, and '71, Mr. Brown paid money to two naval clerks to the amount of two thousand dollars in each. I am not positive about the amount, but at least I think it was two thousand dollars each, in the course of three years, partly through my hand, and partly by himself.

Q. What were the names of those clerks? A. S. Henriques and James Patterson. The money would be paid by S. P. Brown, and sometimes by A. P. Brown, and sometimes they would leave it with me to hand to them (the clerks).

Q. Do you know what service they rendered for it? A. Yes, sir.

Q. What was it? A. They used to raise bids for us, or rather for them. After it was awarded to us, they would change the figures and divide the difference.

Q. Repeat the method of doing things, so as to make it intelligible to the committee? A. When we would send in the bid to the Department, we would put it in at such a low figure that we would be certain to get it. We would then

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go there afterwards, take that schedule back, take out another one and put that contract in. These clerks had charge of that department of the business.

Q. They would then substitute another bid? A. Another schedule; put another schedule in. There is a schedule you had to sign, and the schedule is really the bid. If you had any of their schedules here I could explain it to you much better.

Q. Do you known whether that was done with the knowledge or connivance of any person else in the Department? A. I am confident it was not on account of the secret way in which we had to do it; the clerks would take them over in their own rooms and fix them there; I generally did the figuring myself; they would come down and tell us how much we could raise it, and as I wrote the others, the handwriting, of course, would have to correspond; and I would do the clerical work, and take it back; sometimes they would come in and get them, and sometimes one of us would carry them up to the clerk.

Q. What would determine the limit to which it should be raised? A. As near as we could go to the next bid.

Q. You could not go beyond that? A. No; we could not go beyond that, because all those bids have to be printed in the naval reports.

Q. You would go under the next bid? A. Yes, sir; just enough under not to excite suspicion.

Q. You did that work by the direction of the firm? A. The firm of S. P. & A. P. Brown; they were both cognizant of it."

Mr. Wolf is fully sustained in his statement by the evidence of Mr. D. C. Morrison, who produced the original bills, and by means of a microscope, detected the alterations that had been made in the bids.

ROBESON WANTONLY AND ILLEGALLY BREAKING UP OUR WAR VESSELS.

It seems strange that in the disbursement of so much property of the Government, and applying it to the naval service, the Secretary of the Navy has never felt it, however, his duty afterward to report the facts connected therewith to Congress. And when it is shown that large quantities of this very material comes from the destruction of vessels belonging to and constituting part of the United States Navy, the offenses of the Secretary of the Navy, and his Chief of Bureau Hanscom, seems serious and grave. Vessel after vessel has been broken up at large cost to the Government, and the materials thereof bartered or exchanged. A list of the vessels so broken up is here submitted:

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Statement of Vessels broken or being broken up, under orders emanating from the Bureau of Construction and Repair, Navy Department, since July 1, 1869; also of the disposition made, so far as reported, of the materials recovered therefrom, taken from records of the Bureau.†

NAME OF VESSEL.	WHEN ORDERED BROKEN UP.	AMOUNT AND KIND OF MATERIAL RECOVERED.	DISPOSITION OF MATERIAL.	TO WHOM.	ON WHAT TERMS.
Illinois	Feb. 15, 1872	Not reported by yard officers	Used in yard	By the Government	
Nantasket	Sept. 27, "	do do	Copper delivered for rerolling; wood used in Portsmouth yard	Washington yard, by the Government	
Suncook	July 31, 1874	1,424,296 pounds old or scrap-iron	Delivered to contractor to be rerolled	C. E. Pennock & Co	1 pound rerolled, best beam or plate, for 3 pounds old iron.
Nausett	Sept. 24, "	1,368,640 do do	do do do	John Roach	do do
Niobe	" 24, "	1,388,800 do do	do do do	do	do do
Cohoes	Oct. 9, "	1,375,360 do do	do do do	do	do do
Koka	" 2, "	1,348,149 do do	do do do	Harlan & Hollingsworth	do do
Otsego	" 9, "	1,301,440 do do	do do do	William Cramp & Sons	do do
Algoma	" 9, "	1,397,760 do do	do do do	do do	do do
Modoc	" 10, "	958,720 do do	do do do	John Roach	do do
Minnetonka	" 12, "	948,801 do do	do do do	Harlan & Hollingsworth	do do
Napa	Nov. 12, "	934,080 do do	do do do	John Roach	do do
Hero* and Piscataqua	Apr. 2, 1875	1,658,144 do do	607,579 pounds delivered to contractor to be rerolled	do	do do
Nebraska	July 29, "	Not reported by yard officers	Iron delivered to contractor to be rerolled	Seyfert, McManus & Co	1 pound rerolled, best beam or plate, for 4 4-7 pounds old iron.
Shawnee and Wassuc	Sept. 9, "	Not reported; work not completed	Not disposed of		

* NOTE BY THE COMMITTEE.—The vessels rebuilt are not included in above statement, nor is the "Virginia."

† Work of breaking up this vessel not yet completed.

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IS NOT THIS FEARFUL?

In some instances the suddenness of the order for destruction gave rise to the belief that the unworthy motive of influencing the result of political elections was the moving cause of the order. For example: An old line-of-battle ship, was ordered to be broken up at the Boston Navy Yard, although Captain Young swears that she was as sound as the day that the timber was put in her, and could have been sold at a handsome profit. The men who were put to work to break her up were political strikers, it being then about election time.

Mr. Nehemiah Gibson testified: That one of the vessels broke up at the Boston Navy Yard, he offered $25,000 for, and does not believe that the government realized one dollar. The following is Mr. Gibson's testimony with respect to the breaking up and destruction of two iron-clads in Boston Harbor:

"Q. What would the Government realize from breaking them up? A. In their way of breaking them up they would realize nothing. Here is one cut up in this yard that I offered $25,000 for, and I don't believe the Government realized a dollar. The laborers here don't do anything. I have seen so much of their idleness and inefficiency that I would not pay their board. If I had a thousand such men to work for me I would not pay their board for what they would do. They put in everything—old cripples that are not good for anything. That makes the navy cost tremendously. It makes me crawl when I go about the yard and see the men loafing. They get hid up out of sight—a pack of loafers that calculate living on the navy yard. There are a pack of people around this city that don't calculate to do anything. It is a premium offered to them to do nothing, because their work lasts so much the longer if they don't do anything.

Q. I would like to ask you if you don't think the old ship Virginia, and some of the other ships here that are condemned, could be sold to private individuals for something? A. Yes, sir; that Virginia, the one that was cut up, the old frigate that they started in 1817, I offered the officers here $25,000 for that ship as she lay, to take her down myself.

The Secretary of the Navy does not possess any right or authority under the law to destroy vessels belonging to the U. S. Navy. He possesses power to sell at public sale no vessel or material of the U. S. Navy that can be advantageously used, repaired or fitted out. If, in his judgment, such sale cannot be advantageously made, it was manifestly his duty to have made report to Congress, and from Congress obtain power to destroy and convert the materials. The discrepancy of millions of their money to a people who are growing poorer under the weight of taxes, while their agents, who control it, grow rich, is not to be accounted for. If all this property and all the money which has vanished in the last seven years, any corresponding results and returns were shown, then flagrant violation of the law might be excused.

THE GOVERNMENT BETRAYED—ONE OF THE FAVORED CONTRACTORS CONTROLLING THE NAVY.

It is believed that gross frauds and abuses exist in the exercise of the discretion given to reject bids. William A. Wheeler was pronounced a defaulting contractor, and his bids were rejected. For years he had been a contractor with the navy. At last it was claimed that he had failed to comply with one of his contracts in the matter of delivery of some brick to the civil engineer at the Washington Navy Yard. This he denied, stating that he had delivered until that officer told him to deliver no more. The Department still held him to be in default. He demanded an investigation, which was refused him. If the facts were not as Mr. Wheeler alleged, the Department was right in rejecting his bids; but if the rule was just and proper in his case it should not have been departed from in other instances. And it was not observed in the case of S. P. Brown, who failed to comply with his granite contract at Mare Island, and has, nevertheless, continued a favored contractor of the Navy Department to this day.

In this connection attention is called to the fact that lowest bidders in classes 50, 85 and 87 (1874 and 1875), Construction Bureau, were permitted to withdraw their bids, for what reason or purpose was never explained.

CONTRACTS NOT AWARDED TO LOWEST BIDDERS.

Another singular fact which sometimes occurs is the failure of the Department to award the contract to the lowest bidder. This was so in the letting of the con-

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tract for granite at Mare Island. Other instances might be given, but, with its regular contract system, little occasion for this kind of favoritism exists.

Akin to the last-named abuse, is the practise and ruling of the Department that, in case of failure of the lowest bidder to comply with the terms of his bid or contract, the Department is not bound to go to the next responsible bidder, but may select whom they please, or contract by open contract with whomsoever they deem proper.

A wide door for fraud and abuse is here opened. To illustrate: B is a favorite, and he obtains a man of straw to bid so low as to secure the contract. He, of course, fails to comply with his bid, thereupon his contract is annulled, and, under the ruling practice of the Department, B is awarded the contract.

CONTRACTORS RULE THE NAVY.

A very great abuse, almost, if not altogether criminal, in this quarter exists, in the fact that contractors rule and govern to a very large extent its designation of officers to different posts of duty, and the appointment of clerks and employees to places where they may be useful to them. This is evident from the fact that the Cattells are found recommending Bradford to be paymaster at New York, and that Cattell recommended the appointment of Hall, the principal clerk, to the paymaster at Philadelphia.

Matthews, the New York contractor, recommended Cutter for paymaster at New York, and, on the same individual's recommendation, Blood, one of the principal clerks in that office, was endorsed by the paymaster and appointed by the Secretary of the Navy.

At the instance of the contractor's directions, Mr. Lenthall, the very worthy and efficient chief of the Bureau of Construction, was removed. The inspector of timber at New York was distasteful to Mr. Contractor Swift, and he was removed. The occupancy of the position of purchasing paymaster at San Francisco is made contingent upon the retention of Mr. ——— as clerk.

Contractor Easby, well known for his watchfulness and integrity, was suspiciously ordered away from Norfolk on a tour of inspection, at the very time when Contractor Smith had timber to deliver there. And Mr. Easby is ordered away from Boston when the same contractor was about to deliver timber at that point.

Mr. Donald McKay, a contractor to build one of the eight sloops of war, was by the terms of his contract to obtain the lumber from the Navy Yard at Boston. Directly afterward, Mr. McKay's brother was appointed to a position in the Boston Navy Yard, one of his duties being to measure and deliver timber and lumber to his brother the contractor. Again, the designation of Boatswain Buscoe to duty under the contractor at Philadelphia, is to be noted in connection with the fact that he was very kindly treated to presents of liquor by the contractor, Nat. McKay. Indeed, to such an extent has the influence of contractors been carried on, that irregular officers of the Navy did not hesitate to condemn it in severe terms in their testimony before the Naval Committee.

SINECURES IN THE NAVY.

The name of John Chamberlain has been borne on the pay-rolls of the Construction Department of the Norfolk Navy-yard, with pay at the rate of $3.25 per day, from 1872 to December, 1875. No person ever saw or knew such an individual, but supposed that he was on duty at the Department in Washington, whither his pay was sent. Upon inquiry among the clerks in the Department at Washington, it was found that Chamberlain was unknown to them, but it was ascertained that the pay of Chamberlain came regularly to Mr. Hanscom, Chief of the Bureau of Construction and Repairs. Upon inquiring of Hanscom, he said that Chamberlain was a detective; he spoke doubtfully of having seen him once; that he (Mr. Hanscom) had been directed by the Secretary of the Navy to place his name on the Navy pay-rolls, and that checks for his payment had come to him from month to month; he had delivered them to Joseph McFarland, with authority or direction from Chamberlain. The Secretary of the Navy only saw Chamberlain once. He knew of but two persons that had ever seen him, and they were Hanscom and McFarland, and he had designated him as a detective. Mr. Robeson also swore that had been trying to find Chamberlain since the investigation by the House Committee began, but had failed to do. This is but another illustration of Secretary Robeson's almost criminal neglect. Here is a detective appointed on the recommendation of nobody, draws a salary for nearly four years, and is seen but once by either the Secretary who appoints, or the Chief of the Bureau on the pay-

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roll of which his name is borne. Mr. Joseph McFarland was unable to testify, because he is dead, and so this Chamberlain mystery will never be cleared up.

There is also a Mr. Rensselaer W. Dayton, who visits Florida for two months of the winter and is permitted to draw his salary at the rate of $1,000 per annum for ten months, about seven months of the time being in New Jersey, and from his law office there regularly demands and receives his pay. Mr. Dayton is supposed to be an agent to protect the interest of the Government in the live oak timber lands in Florida.

GOVERNMENT MATERIALS USED FOR PRIVATE PURPOSES BY SECRETARY ROBESON.

The chief offender in using the property of the Government for private purposes is the Secretary of the Navy himself, who procured a subordinate employed at the Washington Navy Yard to make house furniture, consisting of a side board, dining-table, hat stands, etc., and also a baptismal font for some church in New Jersey. It is said, and it is granted, that the Secretary paid for the lumber and labor so employed in the making of these articles, but he seems to forget that no one had a right to sell lumber and use the time or labor of the Government. The Government of the United States is not a dealer in lumber or a procurer of labor. The rankness of the Secretary in this regard lies in the fact that this work was done, and these materials procured without the knowledge of the Commandant of the Yard or the Civil Engineer, whose subordinate was employed to do the job. It is evident, from the proof, that this employé, one Childs, either imposed upon the Government or the Secretary. The testimony of the witnesses examined relative to this affair makes it very patent that the Government was defrauded. When the chief of the Navy Department so acts, it is not surprising that a similar practice is indulged in by lesser officials, in evidence whereof we will refer to the use of Government materials in the making of a small cannon and gun-carriage for the benefit of a political club at Norfolk, Va., the hiring and letting of a dredge by the Civil Engineer at the Boston Navy Yard to private parties, and similar instances of dredging machines by William H. Linds, a master mechanic at the Norfolk Navy Yard.

CLOTHING OF GOOD QUALITY SOLD AS CONDEMNED PROPERTY, TO RING CONTRACTORS—SALES OF VESSELS BY THE NAVY DEPARTMENT—MR. MATTHEWS ONCE MORE.

John H. Draper was the auctioneer of the department in New York; he details in his testimony who are the parties who composed the ring that has usually controlled the sales of vessels at New York. The profits that are made by the ring can be estimated when the evidence before the committee establishes the fact that a profit of $52,000 was realized on one vessel that was sold by the department, and a similar amount of profit was realized on another vessel. Recurring to the testimony of Mr. Draper, it was ascertained that the practice of estimating the quantity of iron chains, &c., to be sold and weighed afterwards, prevailed, thus opening the door to innumerable frauds which were no doubt committed. Mr. Draper made one sale of clothing at the instance of Mr. Eldridge, the head of the Clothing Department, and it seems that Mr. William Matthews, the gentleman above referred to, in connection with Mr. Cattell, was a purchaser at that sale under the name of Bates, and bought a large quantity of pea-jackets, and other articles which were in excellent condition. Mr. Draper's testimony upon this point is as follows:

"I made one sale for the Bureau of Provisions and Clothing. It was under Mr. Eldridge, the head of the department. Mr. Eldridge called me up into his office, and there was a little man there that I had not seen before. The orders were to call a deposit from every buyer. Mr. Eldridge said to me, 'Mr. Draper, this gentleman expects to buy to-day. He has deposited with me $500 in bills, and you therefore need not call a deposit from him. He will give you the name of Bates.' I went on and sold that clothing, and why they sold it God only knows. I am no judge of clothing, but it looked to me to be in pretty good condition. Still, it had been condemned by a proper board of officers, and it was none of my business. Mr. Matthews bought a great deal at that sale, and gave the name of Bates. I never saw his $500 deposit. It did not come to me, and would not come to me at any rate; but Mr. Matthews was 'Bates,' as I found out afterward. I said to Mr. Eldridge, 'It seems to me that these goods, these pea-jackets, sold very cheap; and if they are good for anything, I would like to have a half-dozen of them, as I have a lot of poor people I would like to give them to;' and afterward I sent over for them, and they told me that I was to get them from Mr. Matthews.

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I sent him my check for the goods, and he sent it back to me. I wrote him again, and inclosed him the bill, and told him I was not in the habit of doing things in that way; that when I bought things I proposed to pay for them. That is the only transaction I had with him.

Q. Were the prices paid for those goods very low? A. I don't know, but I have them on my books. Still, you know, they were sold under the ban of 'condemned clothing,' and you cannot expect people to pay high prices for what the government says is not fit to be used.

Q. Did Mr. Matthews buy at any other sale that you made? A. I don't think he ever bought of me at any other time.

Q. Do you know who this man Bates was? A. O, it was Matthews. There was no Bates. Mr. Matthews was in the room."

BARTER AND EXCHANGE.

The gravest abuses which mark the Navy Department under its present head, consists in this new business of barter and exchange. The bureau of provisions and clothing bartered off its stock of condemned and unserviceable clothing, which, as appears from Mr. Draper's testimony, was in very good order, and large quantities of stores and supplies. The bureau of construction and repairs has been, and is bartering off its surplus iron, machinery, etc.; the bureau of steam engineering its surplus boilers, engines, etc.; and all these without any regular report or action thereon being submitted by the Secretary of the Navy, who inferentially, if not directly, would have the public believe that it was being done without his knowledge or sanction; but he evidently, upon advisement and reflection, saw that such a suggestion was not of sufficient thickness, and now assumes, at least so far as the materials apply to the bureau of construction, and the bureau of steam engineering, are concerned, that he submitted to the appropriation committee of the 43d Congress, the propriety of so using their useless materials. It is sufficient to say that the sanction of such a committee without the authority of the two Houses, and the President in regular form and expression, could not make or alter the law governing such cases, as the Republican members of the naval committee pretended to justify this system of bartering.

The estimated cost of the material belonging to the Government which has been disposed of without advertisement and without competition is nearly fifteen millions of dollars. Much of the iron that was bartered from the Construction Bureau was new or nearly so, and large quantities of it believed to be of such a character as could have been used by that Bureau, and a part of it could have been rerolled at least into bar-iron and other serviceable iron at the Boston Navy Yard. So says Chief Engineer Bartleman. Some of the boilers and engines belonging to the Bureau of Steam Engineering so exchanged it is believed could have been used, and some of them disposed of without being broken up, and in either case with much greater profit to the United States. The brass and composition and other metal in such could have been rerolled and reworked at the Washington Navy Yard, so as to have made a large saving to the Government. But no! it seemed that personal friends had to be rewarded with contracts, and the puzzling question is presented whether contracts are made to get rid of material or old material is created to be disposed of to pay for contracts. Pennock & Co. and Seyford, McManus & Co. are favored with contracts to purchase from the Bureau of Construction old iron at 1¾ cents per pound, with privilege of paying therefor at 8 cents per pound. Pennock & Co., Seyford, McManus & Co., William Cramp & Son, John Roach, and others received large quantities, named in the foregoing statement, upon the following terms, to wit: three (3) tons of old to one (1) ton of new. The profits upon these contracts are something perfectly enormous. The following remarks of Hon. Abraham S. Hewitt, of New York, delivered in the course of the debate upon the report of the Naval Committee, will not be out of place.

"EXTRAVAGANT, WASTEFUL, AND IMPROVIDENT CONTRACTS."

Mr. Hewitt, of New York (the floor having been yielded to him by Mr. Whitthorne, of Tennessee, Chairman of the Naval Committee): I find in the report of the minority of this committee, which I have not had such time to study as I ought to have taken, a statement justifying the exchanges of old material for new material. The minority of the committee say that it was for the advantage of the government. 'I have patiently and carefully examined the tables appended to the report of the majority containing the terms upon which these exchanges were made

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so far as iron is concerned. Perhaps I may say to the House that in that particular line of business I suppose I am a competent judge.

On page 90 of the report of the majority I find a contract of exchange of old material for new; to exchange 4,538,781 pounds of old iron with Seyfert, McManus & Co., a most reputable firm in the iron trade. The contract is upon the following terms: "The old iron is to be taken at one and three-fourths cents per pound, and the new iron to be returned at eight cents per pound." Now, I say that is a most extravagent, wasteful, and improvident contract. I say that by that contract the Treasury of the United States was robbed, and the taxpayers of this country must make good that robbery.

I say that if the Secretary of the Navy had done his duty and had advertised that exchange to the iron trade of the United States, it could have been made upon a basis of at least two cents per pound better than it was done. The firm with which I was connected at that time would have been only too glad to have been a bidder, and they could have made and furnished all the materials that Seyfert, McManus & Co. furnished. I find there are other contracts very much of the same character. If these gentlemen who signed the minority report had taken the trouble to ask for the testimony or opinion of any reputable gentleman in the iron trade they could have had this information given to them.

Mr. Harris, of Massachusetts: Will the gentleman from Tennessee [Mr. Whitthorne] allow me one single minute?

Mr. Whitthorne: Not now.

Mr. Harris, of Massachusetts: I desire to ask one single question of the gentleman who has just taken his seat.

Mr. Whitthorne: You can ask the question, and I will answer it.

Mr. Harris, of Massachusetts: I want to call the attention of the gentleman to a fact which I think will cause him to change his statement.

Mr. Hewitt, of New York: I have no objection to the gentleman's question and will answer it.

Mr. Harris, of Massachusetts: Has the gentleman taken into consideration the fact that the iron to be furnished under that contract was to be iron in dimensions, including beam iron and frame iron, just such iron as the Government might require?

Mr. Hewitt, of New York: I was a maker of beam iron and frame iron, just such iron as the Government wants. Before I came to Congress, at the very time this contract was being executed, we were supplying beam iron at four and three-fourths cents per pound, iron cut to dimensions, just as the Government desired to have it cut. And in regard to frame iron, since 1873 there has been no time when it could not have been bought for four cents a pound, yet under this contract the Government paid eight cents per pound. I say that the old iron was worth one and three-fourths cents per pound in cash in market, the price that was allowed for it.

THE PRESENT CONDITION OF THE U. S. NAVY.

There is a material difference of opinion, with respect to the exact condition of our navy, between no less distinguished persons than the Secretary of the Navy, Mr. Robeson, and the active head of the same, Admiral Porter.

Before proceeding to comment upon this wide discrepancy, it will be well to submit the expressed opinions of these two gentlemen, in order that the reader may compare their statements:

From Secretary Robeson's last Annual Report.)

"It is gratifying to be able to report that the navy is now in a stronger and more efficient condition than it has ever been at any time, at least since the commencement of your Administration. It is not very strong in the number nor in the class of its ships, but these are, all of them, in as good condition as practical to keep such material of war, under

(*Admiral Porter's Testimony before the Naval Committee of the House of Representatives, given May* 29, 1876.)

"Our navy, taken as a whole, is worth nothing, and the sooner the country understands that fact the better. It would require a great stretch of credulity to make one believe that the navy is now in the flourishing condition represented by Chief Constructor Hanscom in his late report to the Honorable Secretary of the Navy. Probably he believed what

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the various and trying conditions to which they are, in a high measure, constantly exposed. A far larger proportion than usual of wooden ships are ready for service; our iron-clad fleet is various; our storehouses are fairly stocked with ordnances, equipments, and supplies, and we have on hand a fair supply of the best material for the building and repairing of ships.

"The service has been placed in this state of efficiency, compared with what existed a few years ago, by utilizing [except with the case of eight (8) sloops built under special appropriation] what could be spared from the current appropriation and from the appropriation made during the Cuban emergency, and applying these means practically and steadily toward putting what was worth saving of the navy as it existed in as permanently good condition as the state of the ships and the means at command permitted. *The wisdom of this policy is, I think, illustrated by the strength of our vessels to-day.*

"It would be also well, I think, if Congress would afford the means to finish, at once, the repair of the five (5) double-turret monitors, since, when they are finished according to the present design, our iron-clad fleet will be much more powerful; and they are, while undergoing repair, useless for any present purpose; and the process of repairing them from what can be spared from the current appropriations not only cripples the Department in all its other operations, but is, of course, very slow. With these added to it, our iron-clad force would, for purposes of defense, present a very substantial barrier to anything which would cross the seas and attempt to enter our ports."

he said, 'that the power of our iron-clad for harbor and coast defense, where the fighting would be done in smooth water, must be considered equal, if not superior, to that of a large number of sea-going iron-clads of foreign stations.' 'And that no officer in command of one of our monitors would hesitate to engage in action, in smooth water, any sea-going iron-clad vessel now afloat, except, perhaps, a few of the latest type.'

"Our officers, as has been proved, are ready to do battle, even with the most desperate odds against them; but I don't believe there is any one who would engage one of the ships alluded to, in smooth water or otherwise, unless he wanted to throw his own vessel away.

"Many officers of the navy, who now hold prominent positions, were in the service in its palmy days, and can draw a just comparison between its condition then and now. They have seen it recede from the high position it once held, and realize its inefficiency to protect our interests at home or abroad. Yet they have been compelled to stand quietly by and witness the navy go from bad to worse without power to prevent it. I may therefore say that our navy, as compared with others, is like a foot soldier, armed with a pistol, encountering a mounted man, clad in armor, and carrying a breech-loading rifle. It would be easy to imagine how little chance the man on foot would have, should such a conflict occur.

"I need scarcely say that officers of the navy, who expect to take part in any conflict that may arise between our country and a foreign power, look with anxiety for the improvement of our ships, more particularly since the West India drill made it apparent to the youngest of them that our combined force of vessels are incapable of a successful encounter with a fleet one-fourth as large, built on modern principles. Indeed one such ship as the British iron-clad 'Invincible,' ought to go through a fleet like ours, and put the vessels *hors de combat* in a very short time, for she could run them down or destroy them at long range with her heavy rifled guns.

"There is not a navy in the world that is not in advance of us as regards ships and guns, and I, in company with the older officers of the service, feel an anxiety on the subject, which can only be appreciated by those who have to command fleets and take them into battle. If called upon at this time to command the naval forces of the United States

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> in case of hostilities—a position which it is my ambition and my right to fill—I should be put to my wits' ends to succeed with such an incongruous set of vessels as we now possess. * * * * This is no exaggeration; it is simply what will occur when we go to war; and it would be better to have no navy at all than one like the present—half armed and with only half speed—unless we inform the world that our establishment is only intended for times of peace, and to protect the missionaries against South Sea Savages and Eastern fanatics. * * * * * I speak strongly on the subject, because I know the real condition of our navy, and its present inability to meet the wants of the nation; and I may yet live to see my country humiliated from the fact that no attention has been paid to the recommendations of those whose duty it will be to lead our ships into action and direct their movements in time of war. *If we* were to lay up our present vessels, and build a new set with improved machinery, it would be economy in the end. The vessels would be run on half the present amount, and would do their work twice as well."

As between the rose-colored statement of Secretary Robeson, and the severe strictures of Admiral Porter, we would, in any event, place implicit credence in the testimony of the Admiral.

But since the fact which Admiral Porter has presented and the views which he has expressed are fortified and sustained by nearly every officer of standing in the navy, no other alternative is left us but to repudiate the report of Secretary Robeson, as spurious and false in every particular.

At the beginning of their investigation into the affairs of the Navy Department, the Naval Committee, in order to obtain a truthful account of the exact conditions of the navy, addressed to a large number of distinguished officers a circular letter, containing certain interrogatories. One of these interrogatories was designed to ilicit their opinions as to the present degree of efficiency of our vessels of war compared to the navies of the principal powers of the world, class for class, and whether the comparison was unfavorable to the United States and the reason therefor—in construction, machinery, materials, or want of harmony in building. We briefly subjoin the answers received to these inquiries:

OPINIONS IN WRITING OF NAVY OFFICERS ON THE CONDITION OF OUR NAVY.

Vice-Admiral ROWAN: "Our cruising vessels of war are lamentably inferior in speed as compared with the navies of the principal powers. Most of our wooden ships, owing to defective steam power and want of speed, are placed at the mercy of small armed cruisers of heavy rifled guns. Many of our steamships on the navy list are utterly worthless and should be sold or broken up."

Rear-Admiral LE ROY: "The vessels of our navy are inferior in construction, speed, armament, and other properties, to nearly all the vessels I have met belonging to foreign powers. We cannot continue our obsolete type while foreign nations advance."

Rear-Admiral PENNOCK: "Our navy compares unfavorably with other nations."

Rear-Admiral ALMY: "It is my opinion that the speed and efficiency of the United States vessels of war are, in general, inferior to the speed and efficiency and accommodations of the vessels of war of other principal naval powers. Some-

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times the fault is the model; sometimes it is in the character of the engine; sometimes it is in the defective steam power, and sometimes it is in all these. There seems to be a decided want of harmony in the different naval bureaus, to judge from the results produced in the way of ship construction for the navy, the consequence is that a national vessel is produced with which neither bureau is satisfied, and the navy and the nation are not satisfied; and the result is discreditable in every manner and form."

Rear-Admiral C. R. P. RODGERS: "As compared with the navies of the different foreign powers I think our own inefficient."

Rear-Admiral STRIBLING: "I am not favorably impressed with the efficiency of our navy. The reason of it I believe to be the want of a controlling power. Each head of bureau now acts independent of the other chiefs. I believe a Board of Admiralty is the only remedy. At the time the 'Board of Naval Commissioners' we had the most efficient navy for its size of any country."

Rear-Admiral LEE: "We havn't one vessel fit to cruise at large with an impunity commensurate with her class, or to cope with the cruisers now possessed by the most formidable powers of Europe. The reorganization of the Navy Department is the one thing necessary to correct our navy troubles."

Rear-Admiral JENKINS: "That our vessels, as classed in models, in speed, in armament, in first cost of construction, in cost of frequent repairs, and in naval expense while in command, are not such as can be favorably compared with the greater number of vessels we meet belonging to other maritime nations, is, I fear, too plain not to be seen, even by our enemies as well as by ourselves. Fifteen or twenty years since we had the credit, and I think we justly deserved it then, of having vessel for vessel, and those superior to any foreign naval service of the same class. Now, none so poor as to do us honor by offering us praise for anything naval, but for discipline on board of ship, exercise, cleanliness, healthiness of crews and officers, and of doing so marvellously well with our dull steaming, overloaded, and often ridiculously rigged (at the fitting yards) vessels."

Rear-Admiral TAYLOR: "I don't consider the vessels of the navy as efficient as they ought to be, either in style or steam."

Rear-Admiral CASE: "We can hardly compare the vessels of our navy with those of any of the other foreign naval powers, for while we have been standing still, as it were, the naval nations of Europe have been building vessels of new type and character such as were unknown twenty years ago. Our monitors are behind the turret vessel of the present day in Europe, and are really only fit to be broken up; money expended on them, for repairs or alterations, would be, in my opinion, wasted. Speed is one of the most important elements of a vessel of war, and none of our vessels have it to a very great degree."

Rear-Admiral EMMONS: "We have gradually dwindled from a third to a sixth or eighth rate power, while England, which has always been a first rate naval power, has very much improved in every class of vessels for all of the requirements of modern warfare for the last fifteen years."

Commodore PATTERSON: "All the naval powers are far in advance of us in ships and guns, which will continue to be the case, in my opinion, until a board of officers is constituted, whose duty by law it shall be to carefully consider, and advise the Secretary of the Navy what class and kind of vessels, specifying battery, speed, etc., should be constructed."

Commodore EMMERS: "Our vessels are, in general, inferior in speed, and especially under steam, to those of the same class in the better foreign navies."

Commodore NICHOLS: "In regard to the efficiency of the vessels of our navy, class for class, as compared with the navies of the principal powers of the world, my opinion is that we are inferior to them."

Commodore PARKER: "While acting as Chief of Staff (of the United fleets) in the Bay of Florida, in the winter and spring of 1874, I was painfully impressed with the inefficiency of our vessels of war, as set forth in a paper I read before the Naval Institute, in December of that year. And, now, the great drill, as the New York *Herald* had styled our exercises (in the water of Key West) being ended, what was the lesson it had taught? That the vessels before us were in no respect

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worthy of a great nation like ours, for what could be more lamentable, what more painful to one who loves his country and his profession, than to see a fleet armed with smooth-bore guns, requiring close quarters for their development, moving at the rate of 4½ knots an hour; what inferior force could it attack, or what superior one escape from, of any of the great naval powers of the earth?"

Commodore FAIRFAX: "A comparison must result unfavorably to the United States, and this, in part, is accounted for by the present irresponsible system of the bureaus. Our best ships do not compare favorably with those of the third rate European powers, either in point of speed or construction. Since Mr. Lenthall retired from the Bureau of Construction, very little intelligence or judgment has been displayed in its management. The navy has lost in him the only trained, well educated constructor at present eligible for the position. We are reminded of this forcibly, in the infliction upon the service of the iron vessels, 'Alliance,' 'Alert and 'Huron.' *They are unsuited for war purposes from their construction.*"

Commodore CROSBY: "I do not think that our vessels of war compare favorably with the principal powers of the world, class for class, I think the slow speed of our vessels is mostly owing to the machinery; somewhat, also, to the model of the vessels."

Commodore MIDDLETON: "The comparison of the present degree of efficiency of our vessels, with that of those of the principal powers of the world, must be conceded as unfavorable to the United States. The reason for this condition must be sought for in the inexperience of our constructors, and their want of familiarity with foreign models. The same may be said, within limits, of our designers of machinery. Our materials are as good, if not better, than any in the world. Constructors and engineers of more than ordinary intelligence should be sent to gather instructions in the line of their profession in European dock yards."

Captain RHIND: "Our ships are far behind in power of resistance, in gun power, and in speed. While our squadron was collected at Key West, at the time of the 'Virginius' affair, I formed and expressed the opinion that one modern war vessel of the British nation, *like the 'Swift Sure,' would destroy the whole of them without the least damage to herself.* Great reliance is placed on torpedoes, but very few of our vessels have speed enough to use them successfully. The reason for this state of affairs, is that those who command and fight the ships are not consulted in their construction. The fault is in construction, in machinery, and in want of harmony."

Captain JEFFERS: "There is no doubt, but that the average speed of our navy, taken collectively, is less than the average speed of foreign vessels, and their armament, etc., inferior."

Captain TEMPLE: "*In my opinion our vessels of war are inefficient; can neither fight nor run away, and will disgrace their captain and the country whenever a war emergency arises.*"

Captain WELLS: "Our armed vessels of war do not compare favorably with those of other navies."

Captain LOWRY: "Our ships do not compare favorably with the vessels of other nations in any respect as regards or their machinery, and as a consequence, we have neither speed nor efficiency; the reason for it is that the office of Naval Constructor has been a political appointment, and used for political purposes. I affirm, and defy contradiction (and believe every honest man in the navy, who is not afraid of losing his position, will confirm me when I assert), that most of the corruption in the navy yards, exists in the Naval Constructor's Bureau, and the writer can relate to the Committee many instances where the efficiency of the ship has been impaired by the constructor refusing to follow the suggestions of skillful seamen commanding."

Captain TRUXTUM: "Nearly all our steam vessels are defective in their machinery. The disorganized state of the *personnel*, and the wretched condition of the *material* of the navy, I attribute to the existence of nine (9) Secretaries of the Navy."

Captain YOUNG: "Our vessels of war do not compare, either in speed or battery, with those of a similar class of the principal powers of the world. In case of a war with either of the great naval powers, we have few vessels that could successfully contend with or run away from one of their vessels of a similar class, armed

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with rifle guns. While other nations are improving every year in the efficiency of their navy, we seem to be retrograding."

Captain JOUETT: "No comparison can be made since there is nothing to compare with. I do not know that any navy in the world has any such vessel as our navy is composed of, and there should be no such vessel in our navy."

Commodore RAMSEY: "Our navy is inferior to that of all first class powers. Our cruising ships are deficient in speed, and our iron-clads are deficient in both, respecting power and speed. Our guns are entirely behind the age, rifle-guns having proved themseves much superior to the smooth-bores. Under the present system, each Chief of Bureau is a head, and gives instructions in regard to his particular duties, entirely independent of the other bureaus; the consequence is that when ships are built or repaired one bureau cannot know what the other is doing, and the instructions of the Chief may conflict. An example of this occurred when the 'Kansas' was repaired at the Washington Navy Yard. When the ship was ready for her battery, it was found that the constructor had changed the position of the broadside ports, and there was not sufficient space to work the 9-inch guns she had previously carried, and which the Chief of the Bureau of Ordnance had put in her. The consequence was the interior arrangement had again to be altered. The engines of our vessels compare most unfavorably with those of the vessels of war of other nations."

Commander ERBEN: "I think our ships greatly inferior in speed and battery to those of other naval nations."

Commander YATES: "My experience leads me to regretfully state that the vessels of our navy suffer greatly in comparison with those of the navies of France and England, class for class."

Commander MAHN: "Vessels of the United States are inferior in point of speed to those of England."

It will thus be observed that

OUR NAVY IS EVEN WORSE THAN WORTHLESS,

since we are still compelled to keep up and support a large number of war vessels, which, in the event of any emergency, to use the expression of several of the naval officers above quoted, "are neither fit to fight nor to run away"—and must ultimately be broken up. The people are also forced to pay for the maintenance of nearly 8,000 officers and men, with which to man these rotten hulks.

It may be well at this point to recapitulate as to the condition of our navy. In 1869, when Secretary Robeson took charge, the navy bore upon its register 203 vessels. By authority of law, 8 sloops of war and 2 torpedo boats were added, and by purchase 3 more were also added; making in all 216 vessels that should now appear on the register. According to Secretary Robeson's last report, there are only 146 vessels, as follows:

First rate screw ships	5
Second rate screw ships	28
Second rate battle ships	1
Third rate screw ships	27
Third rate battle ships	3
Fourth rate battle ships	6
Wooden sailing vessels of all classes	25
Iron-clad vessels	24
Tugs, &c	27
Total	146

So that 70 vessels have disappeared under Secretary Robeson's administration.

Such is the opinion entertained of our navy by the Admiral, the Vice-Admiral, 11 Rear-Admirals, 8 or 10 Commodores, 8 or 10 Captains, and the same number of Commanders, and all agree that our navy is inefficient.

ROBESON'S CONTRACTOR CORNERED.

In opposition to this volume of proof there is but one counterstatement, and that is the statement of Chief Constructor Hanscom. To prove that Mr. Hanscom's reports are not only unreliable, but false upon their face, we shall at this time give the testimony of that gallant young officer, Commander R. W. Meade, whose love for, and pride in, the navy is earnest and deep-seated, as is evidenced by his thoughtful study and reformatory suggestions for the promotion of its integrity and efficiency, and in the connection of the reliability of the comparison

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made by the Chief of the Bureau of Construction in his last annual report, Commander Meade said: "I read the report of the Chief Constructor with a great deal of surprise, because, from my knowledge of the condition of the naval service, and the condition of the vessels in the service here and on foreign service, I felt sure that some of the statements made were not facts; in other words, they were calculated to deceive all but experts that were not familiar with the subject. My attention was particularly directed to the table given on page 185 of that report, entitled, 'Relative comparison of the relative tonnage of the English and United States vessels. In looking over this list, I find that all our ships of no value, including vessels on the stocks, and every vessel that could be made to figure upon paper, was included to swell the list, while on the English side, such vessels are taken for the comparison as were by no means first-class vessels. And even gunboats were included, omitting almost entirely the first-class ships of the English navy. As I went on over the list, I found that most of the English vessels taken in this comparison were either old hulks or training ships for boys, and even gunboats and second-class vessels; in other words, scarcely a single important vessel of the English Navy was on the list. And the vessels of that navy were compared with the best of ours, with the idea of giving to the public the impression that the American Navy was in a relatively better condition than the English Navy, which is not true. None of the modern vessels or none of any consequence are given in that list, with a few exceptions. I have all the official standard works on this subject and I know that the comparison is not true. Since the publication of Mr. Hanscom's report, I have taken the list as Hanscom gives it, and compared it with the official returns of the English Navy, and find that his comparison is not correct, and that it is calculated to deceive all but experts; I made a comparison correctly and carefully, and it is from that comparison I speak now. This report is not correct; it is a false comparison, and is calculated to deceive. From a careful study of the subject I would assert that it is no just comparison, and should not have been embodied in the report of the Secretary of the Navy. The Secretary of the Navy was doubtless misled by himself; he is not an expert, and was evidently deceived by the report. I have prepared a table which I beg to present. It is entitled '*The comparative cost of some of the vessels of the American, British and French Navies.*' I have made this comparison on an original plan, but one which on examination will be found to be correct in every particular. It is based upon a comparison of their cost per ton of displacement, which I consider to be the only true way of arriving at the result. The system I adopted in making this estimate is as follows: I take the entire cost of the vessel, and use as a divisor the number of tons displaced by that vessel at the *load-water* line, and get from that division the actual cost per ton of displacement, which must be mathematically correct. This appears to me to be the only standard of comparison, and I have adopted that in this table. The table is as follows:

Table showing the Comparative Cost of some of the Vessels of the American, British, and French Navies.

NAME.	Displacement at load water-line.	Cost per Ton of Displacement.	Cost, exclusive of Outfit and Armament.	Number of Guns.	Speed.	Character of the Hull.	When Built.
UNITED STATES NAVY.	Tons.						
Miantonomah (iron-clad)..	3,780	$350	$1,332,800 00	4	8	Wood (iron plated)	1865.
Florida (late Wampanoag)	4,220	373	1,575,643 84	12	15?	do	1865.
Madawaska	4,220	397	1,673,080 52	21	14	do	1865.
Tennessee	4,220	710	3,000,000 00?	23	13?	do	‡1874–'75.
Trenton	3,650	384	1,400,000 00?	11	13?	do	1875–'76.
Adams	1,370	242	331,509 22	6	11?	do	1875–'76.
Enterprise	1,370	223?	306,205 01	6	11?	do	1875–'76.
Essex	1,370	237	324,900 52	6	11?	do	1875–'76.
Alliance	1,370	284	389,687 94	6	11?	do	1875–'76.
Ranger	995	296	294,126 69	4	11?	Iron	1874–'75.
Huron	995	308	307,024 54	4	10½?	do	1874–'75.
Alert	995	309	307,139 13	4	10½?	do	1874–'75.

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NAME.	Displacement at load water-line.	Cost per Ton of Displacement.	Total Cost, including the Armament.	Number of Guns.	Speed.	Kind of Hull.	When Built.
BRITISH NAVY.	Tons.						
Narcissus (unarmored)	3,548	$162	$577,097 40	28	11	Wood	1859.
Warrior (iron-clad)	9,137	196	1,783,600 00	32	14.4	Iron	1860.
Hercules (iron-clad)	8,677	223	1,940,840 00	16	13.8	do	1869.
Audacious (iron-clad)	6,034	197	1,·01,480 00	14	15	do	1869.
Inconstant (unarmored)	5,782	178	1,034,017 60	16	16.5	do	1869.
Volage (unarmored)	3,078	198	610,498 24	10	15.2	do	1869.
Swiftsure (iron-clad)	6,633	175	1,183,840 00	14	13.8	do	1870.
Sultan (iron-clad)	9,286	207	1,926,680 00	12	14.1	do	1870.
Devastation (iron-clad)	9,188	161	1,478,620 00	4	13.8	do	1871.
Glatton (iron-clad)	4,912	185	909,920 00	2	12.1	do	1871.
Rupert (iron-clad)	5,284	157	827,6 0 00	4	12.7	do	1872.
Boudicer (unarmored)	4,027	234	944,726 00	16	16.5?	do	1875–'76.

NAME.	Displacement at load water-line.	Cost per Ton of Displacement.	Total Cost, including the Armament.	Number of Guns.	Speed.	Kind of Hull.	When Built.
FRENCH NAVY.	Tons.						
Gloire (iron-clad)	5,530	$166	$919,240 00	8	12.8	Wood (iron-cased)	1859.
Provence (iron-clad)	5,703	186	1,066,240 00	12	14	Iron	1868.
Marengo (iron-clad)	7,360	177	1,302,000 00	14	13.5	do	1869.
Duquesne (unarmored)	5,400	272	1,470,000 00	27	17	do	1875.
Genouilly (unarmored)	1,600	213	352,800 00	8	15	Wood	18·5,
Bonvet (unarmored)	770	216	176,400 00	4	13	do	1875.
Tourville unarmored) *	....	....	.....	..	....	.....	.....
Du Petit Thomas (unarmored) †	....	....	.....	..	....	.....	.....
Seignelay (unarmored)‡	....	....	.....	..	....	.....	.....
Redoubtable iron-clad)	8,658	180	1,558,440 00	6	15	Iron	1875.
Duguay Troise	3,100	259	803,600 00	9	16	do	1875.

* Same as Duquesne (nearly). † Same as Duguay Troise. ‡ Rebuilt.

NOTE.—With the exception of the Trenton, *all* the United States ships are armed with obsolete smooth-bore cannon of limited range, while the British vessels are armed with muzzle-loading rifle-guns of immense range and power. The ships of the Ranger class are particularly weak and flimsy affairs.

The heaviest rifle-gun (not yet completed) in the United States navy is the 8-inch, throwing a projectile (bullet) of 185 pounds, while as a rule the English vessels are armed with 7-inch, 9-inch, 12-inch, and even 14-inch rifles. All the French ships are armed with breech-loading rifle-cannon of great range and power. The Redoubtable's armament is particularly formidable.

THE DIFFERENCE IN COST.

It will be seen that while it cost the United States from $223 to $710 per ton of displacement, exclusive of armament to produce armed wooden and flimsily built unarmed iron vessels of significant power and speed—vessels utterly behind the age and requirements of the times—England and France with their much-sneered-at "Boards of Admiralty" are really producing not only fast iron-clads, ironed with 12-inch, 13-inch, and even 14-inch rifled guns at from $157 to $253 per ton, total cost. But swift commerce-destroyers like the "Inconstant" and "Duquesne," carrying 9-inch rifled guns, capable of piercing any of our iron-clads in service at near one mile range; and yet some persons have the audacity to assert that the United States Navy is in a good condition as compared with those of foreign powers.

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The idea evidently sought to be conveyed by Mr. Hanscom's table of comparison, is that the United States Navy is in a more efficient condition relatively than the British Navy, so far as the ships of each power are concerned. The falsity of this estimate is readily demonstrated. In the first place, scarcely any of the large modern unarmored ships of the Royal Navy are given in Mr. Hanscom's table of British vessels, though he gives some new gunboats Such recent ships as the "Inconstant," the "Shah," the "Raleigh," etc., powerful and swift cruising frigates of 16½ knots speed, 4,780 to 5,782 tons displacement, and carrying 9-inch rifled cannon, are ignored entirely. The striking power of these guns is greater than that of the 15-inch smooth-bore with which the American monitors are armed. and will enable these unarmed English cruisers to actually destroy our iron-clads with impunity, by merely keeping beyond the limited range of the cannons of the monitors and practising at the turret at leisure Our ships having little speed could do nothing, as they could not close with their adversary.

The effect of Mr. Hanscom's table of comparison is to mislead all but an expert, and this is apparent to those familiar with the technical different kinds of tonnage. Such tables as are published in the Secretary's latest report ought to bring the Chief of the Bureau of Construction to court-martial for either willful deception or gross ignorance. Such tables render our navy the laughing-stock of intelligent foreigners and intelligent men.

FURTHER DECEPTION MADE IMPOSSIBLE.

The following table, compiled by Commander Meade, was presented by him to the Naval Committee, and forms a part of his sworn testimony. It is well worthy of attentive perusal, as showing the desperate attempt made by Chief Constructor Hanscom to deceive the public in his last annual report:

(See page 185, Report of the Secretary of the Navy for 1875.)

Relative comparison of the number of Guns and Tonnage of the English and United States Naval Vessels, according to Mr Hanscom, with some additional data not given by the Chief of the Bureau of Construction and Repair.

UNITED STATES NAVAL VESSELS.

Given by Mr. Hanscom.			What Mr. Hanscom left out.	
Name of the Vessel.	Guns.	Tonnage.*	Displacement in Tons.	Present Condition of Vessels, 1876.
Colorado	46	3,032	4,700	Receiving-ship at New York; half rotten; speed 7½ knots.
Franklin	39	3,173	5,170	At sea; fair condition; speed about 8 knots.
Minnesota	46	3,000	4,700	In fair condition; speed about 8 knots.
Niagara	12	2,958	5,440	Rotten; not worth repairing.
Wabash	45	3,000	4,650	Receiving-ship at Boston; half rotten; speed 7½ knots.
Connecticut	21	2,869	4,450	Rotten; on the stocks at Boston.
Florida	12	2,135	4,220	More than half rotten; at New London; not worth repairing.
Tennessee	23	2,135	4,170	At sea; recently repaired; speed said to be 13 knots.
Java	21	2,490	4,000	Rotten; on the stocks at New York.
New York	21	2,490	4,070	do
Lancaster	22	2,120	3,250	Rotten; at Portsmouth; probable cost of repairs $750,000; not worth it.
Brooklyn	20	2,000	3,000	At sea; speed 7½ knots; half rotten; requires extensive repairs.
Pensacola	22	2,000	3,000	At sea; speed 8 knots; not worth much, though her repairs at Mare Island footed up over $1,000,000.
Hartford	18	2,000	2,900	In fair condition; at sea; speed 8 knots.
Richmond	14	2,000	2,700	At sea; half rotten; speed 8 knots.
Trenton	11	2,300	3,650	Unfinished; hull has already cost $800,000, engines to cost $600,000; probable speed 13 knots.

* Mr. Hanscom's "tonnage" column should be completed for him by adding the words "new measurement."

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Relative comparison of the number of Guns and Tonnage of the English and United States Naval Vessels, etc.—(Continued).

Given by Mr. Hanscom.			What Mr. Hanscom left out.	
Name of the Vessel.	Guns.	Tonnage.*	Displacement in Tons.	Present Condition of Vessels, 1876.
Powhattan	17	2,182	3,980	Obsolete old paddle-wheel craft; speed 8½ knots.
Alaska	12	1,122	2,400	At sea; needs repairs; speed 10½ knots.
Benicia	12	1,122	2,400	At sea; half rotten; speed 10½ knots.
Omaha	12	1,122	2,400	At sea; needs repairs; speed 10½ knots.
Plymouth	12	1,122	2,400	At sea; half rotten; speed 10½ knots.
Lackawanna	10	1,026	2,220	At sea; fair condition; speed 10½ knots.
Ticonderoga	11	1,019	2,220	Half rotten; at Portsmouth; speed 10 knots.
Canandaigua	10	955	2,130	Half rotten; at Norfolk; speed 10 knots.
Monongahela	11	960	2,100	In service; tolerable condition; speed 10½ knots.
Shenandoah	11	929	2,100	Rotten; at New York; speed 7½ knots.
Juniata	8	828	1,900	Rotten; in use at Baltimore; speed 7½ knots.
Ossipee	8	828	1,900	In service; needs great repairs; speed 8 knots.
Quinnebaug	8	910	1,840	One of the ships nominally "repaired;" not yet tested; probable speed 11 knots.
Swatara	8	910	1,840	One of the ships "repaired;" speed 11 knots.
Galena	8	910	1,840	One of the ships unfinished; speed not likely to exceed 11 knots.
Vandalia	8	910	1,840	One of the ships unfinished; speed 11 knots. (?)
Marion	8	910	1,840	One of the ships unfinished; speed 12 knots. (?)
Iriquois	6	695	1,575	Rotten; at Mare Island; speed 10 knots.
Kearsage	6	659	1,550	In fair condition; at sea; speed 11 knots.
Adams	6	650	1,370	New ship; boilers dangerous; speed not yet tested; will probably make 11 knots.
Enterprise	6	650	1,370	New ship; boilers dangerous; speed not yet tested; will probably make 11 knots.
Essex	6	650	1,370	New ship; boilers dangerous; speed not yet tested; will probably make 11 knots.
Huron	6	650	1,370	New ship; boilers dangerous; now called Alliance.
Alert	4	450	995	New ship; boilers dangerous; flimsily built; little speed.
Alliance	4	450	995	New ship; boilers dangerous; flimsily built; little speed; now called Huron.
Ranger	4	450	995	New ship; boilers dangerous; flimsily built; little speed
Wachusett	6	695	1,575	Rotten; at Boston; speed 9 knots; needs extensive repairs.
Mohican	8	671	1,550	Repairing at Mare Island, really rebuilding, with enlarged dimensions.
Tuscarora	6	726	1,560	In fair condition; at sea; speed 10 knots.
Wyoming	6	726	1,560	Half rotten; at Washington; needs new boilers; speed about 12½ knots when first built.
Narragansett	5	566	1,235	Rotten; at Mare Island; perfectly worthlesss as a cruiser in these days.
Kansas	3	410	900	Rotten; at Portsmouth; speed 9 knots.
Nipsic	3	410	900	Repairing at Washington; really rebuilding of double old dimensions.
Saco	3	410	900	In rotten condition; speed 10 knots.
Nyack	3	410	900	Rotten and worthless; at Mare Island; to be repaired.
Shawmut	3	410	900	Rotten; speed 9 knots; in service.
Yantic	3	410	900	Half rotten; speed 9 knots; in service.
Michigan	8	450	685	Iron paddle-wheel; in good condition; speed 10 knots.
Frolic	8	614	1,300	An old blockade-runner, formerly 14 knots speed, ruined by the Bureau of Steam-Engineering; present speed 8½ knots.
Gettisburg	2	518	1,100	Old blockade-runner; speed now 8 knots.
Tallapoosa	2	650	1,270	Dispatch vessel; good speed.
Wasp	1	365	....	Sold as worthless for $2,000, before Mr. Hanscom's report was made public.
Palos	6	306	420	An iron tug-boat on China station.
Dispatch	4	730	....	A yacht purchased from Mr. Smith, banker, of New York; of no use to Government.

* Mr. Hanscom's "tonnage" column should be completed for him by adding the words "new measurement."

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ENGLISH NAVAL VESSELS.

GIVEN BY MR. HANSCOM.			WHAT MR. HANSCOM LEFT OUT.	
NAME OF THE VESSEL.	Guns.	Tonnage.*	Tonnage, that is, N. M.	PRESENT CONDITION OF VESSELS, 1876. (See Navy List for April, 1876.)
Phaeton	28	3,099	2,396	Not on English navy list; sold or broken up.
Endymion	22	3,197	2,486	A comparatively old ship; home service.
Implacable	16	3,223	1,822	An old sailing-ship; training-ship for boys at Devonport.
Pembroke	25	2,842	1,858	An old block-ship; 1 gun; at Chatham.
Active	10	3,078	2,322	A new ship; on west coast of Africa.
Pembroke	1	2,842	1,758	Repeated as above to swell list.
Scout	17	2,187	1,462	An old ship laid up at Sheerness.
Pearl	17	2,187	1,462	An old ship, but in service; Australia.
Rattlesnake	17	2,431	1,705	An old ship; laid up at Devonport.
Jason		2,431	1,705	An old hulk; no guns; no engines; at Devonport.
Thalia	6	2,216	1,459	A good ship; in service; China.
Amethyst	14	1,890	1,405	A good ship; in service; Pacific.
Modeste	14	1,934	1,405	A good ship; in service; China.
Pylades	17	2,021	....	Sold out of service as worthless several years ago.
Victoria and Albert	2	2,345	2,000	The royal yacht: a paddle-wheel vessel.
Challenger	2	2,300	1,462	An old ship; in surveying service.
Charybdis	17	2,187	1,506	An old ship, but in service; China.
Wild Swan	6	1,124	....	New composite vessel; fitting out.
Sphynx	5	1,061	....	Old paddle-wheel; laid up at Devonport.
Spiteful	5	1,054	....	Old paddle-wheel sloop; Cape Good Hope.
Valorous	6	1,257	....	Old paddle-wheel frigate; Devonport.
Fawn	5	1,045	751	Old sloop; laid up at Chatham.
Sphynx	5	1,061	....	Repeated as above to swell list.
Helicon	2	985	837	An old paddle-wheel vessel; used as a dispatch-boat.
Rosario	3	913	673	An old sloop; laid up as worthless at Chatham.
Rapid	3	913	672	An old sloop, but in service; nearly worn out.
Sappho	4	894	727	New composite vessel.
Salamis	2	985	835	An old paddle-wheel vessel; at Devonport.
Petrel	3	913	669	An old sloop; nearly worn out, and ordered home.
Lively	2	985	837	An old paddle-wheel; used as dispatch-boat.
Helicon	2	985	837	Repeated as above to swell list.
Columbine	3	913	672	Coal-hulk; at Sheerness.
Buzzard	2	980	....	Old paddle-sloop, laid up worthless at Devonport.
Lyra	7	675	....	Not on the navy-list at all.
Frolic	4	592	462	Composite gun-vessel; nearly new.
Kestrel	4	592	462	do
Ready	4	592	462	do
Rifleman	4	592	462	do
Arab	3	620	....	Composite sloop; new.
Seaflower	8	454	....	Old sailing-brig; used as a tender to Boscawen for drilling boys at Portland.
Martin	10	489	....	Old sailing-sloop; in similar use for St. Vincent's crew of boys at Portsmouth.
Porcupine	3	490	382	An old paddle-wheel; tender to Fisgard, at Greenwich.
Bittern	3	774	663	Gun-vessel; not new.
Curlew	3	774	665	do
Magpie	3	774	665	Gun-vessel; laid up for repairs.
Plover	3	774	665	do
Midge	4	584	464	Composite gun-vessel; nearly new.
Squirrel	10	447	428	An old sailing-sloop; used as a tender at Devenport for drilling the boys on board of the Impregnable.
Ariel	4	408	308	Composite gun-boat; new.
Coquette	4	408	295	do
Foam	4	408	295	do
Mosquito	4	408	295	do
Merlin	4	408	295	do
Pioneer	6	499	....	Paddle-wheel vessel; laid up for repairs at Sheerness.
Ready	4	592	462	Repeated as above to swell list.
Nimble	5	570	428	An old gun-vessel; ordered home for repairs.
Speedwell	5	570	428	Gun-vessel; laid up at Chatham.
Cockatrice	..	330	269	One gun; an old gunboat twenty years old.
Vivid	..	323	....	An old paddle-wheel vessel; tender to the Royal Adelaide at Devenport; no guns.
Wood Lark	3	774	663	Gun-vessel; not new, but in service.

* Mr. Hanscom's "tonnage" column should be completed for him by adding the words "displacement at L. W. L."

NOTE.—As there are 773 vessels on the English active list for April, 1876, besides 132 hulks, etc., in harbor service for various purposes, making 905 in all, Mr. Hanscom must have gone to some trouble to select the 60 vessels he has given above as the "representative ships" of the British navy.

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A FEARFUL EXHIBIT.

According to an exhibit of the navy, which does not emanate from any partisan source, but is the work of Commodore Nichols, we are informed, that on the first day of May, in this Centennial year, 1876, the effective force of the navy, for war purposes, was only forty-eight vessels, and they belonged to that class which can "neither fight nor run away." Whilst we are considering the condition of the navy, let us turn our attention to the actual expenditure for and on account thereof since the year 1868. The expenditures, according to the table given below, were 160 millions; add the expenditures of the fiscal year ending June 30, '76, estimated at 20 millions; add ships and materials which Secretary Robeson has bartered and exchanged. Estimated original cost is here estimated at 20 millions (and it is largely more than that); add liabilities—direct liabilities—and they exceed at the present time 5 millions, and you have the whole expenditure made by this present administration, $210,037,481.49. The following tabular statement and estimate is submitted:

Expenditure since 1869	$160,037,481 49
" for fiscal year ending June 30, '76	20,000,000 00
Ship material bartered in exchange, whose original cost has been estimated at	20,000,000 00
Direct liabilities assumed by Secretary Robeson	5,000,000 00
Contingent or maturing liabilities	5,000 000 00
Total	$210,037,481 49

The people who pay the taxes, the people who toil, the people who delve, the people who mine, and the people who manufacture, when they ask for information as to where, and in what direction this vast sum of money has gone, are now told in a report of the Naval Committee of their House of Representatives, that a part of it has been stolen by a ring of unscrupulous naval contractors; a part has been squandered through ignorance and corrupt officials; a part has been used to pay the strikers of the Republican party, and the balance has gone to the support of the navy, which, instead of being our pride, and adequate to the defence of our honor and our commerce, makes us appear contemptible in the eyes of the world, and has emboldened Spain upon more than one occasion, notably in the "Virginius" affair, to seize our ships, trample our flag under foot, and shoot down American citizens like dogs, without the slightest fear of any other consequence excepting Secretary Fish's OILY-GAMMONED dispatches.

SECRETARY ROBESON RESPONSIBLE FOR THE FRAUDS AND MISMANAGEMENT OF THE NAVY.

Secretary Robeson in his defense replies, that if any frauds have existed he is not responsible—that he leaves all the details of purchases and contracts to the heads of the various bureaus.

We regret for the honor and integrity of the nation that Secretary Robeson's declarations of innocence are not sustained by proof, that he has interfered very often with the chief of bureau, and that he has attended personally to the details of the Department, will appear in a great many instances. Admiral Rodgers swore that the Secretary personally interfered with the contract made with S. P. Brown, of Washington; and in another case Engineer Shock proved that the contract for engines, etc., in the "Tennessee" was made with John Roach by direction of the Secretary. Commodore Howe stated that all important contracts of his bureau were brought to the attention of the Secretary.

All advertisements for supplies by section 3,718 of the Revised Statutes are directed to be made by the Secretary. While it is admitted that the Secretary cannot give attention in person to the examination of all these, he has the making of reports and the giving of orders for the expenditures of money, and this brings him such knowledge as gives him notice of the contracts and purchases made in his department. To accept the statement of the Secretary in his logical conclusion is to believe that of the millions expended in his department during his administration, large sums have been expended without his knowledge or control. And regarding it in this or any other way, the Secretary stands convicted under his own admission of a gross dereliction of duty and betrayal of official trusts reposed in him by law. The Secretary of the Navy frequently and personally ordered *by name* that mechanics should be employed in large numbers at the several navy yards. The letter of John Roach to the Secretary, dated July 31, '71, offering a

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proposition to remodel the machinery in a number of vessels, shows that the Secretary takes more interest than he would have us believe. It was the approval of this suggestion of John Roach by the Secretary that fixed the policy of the department and Roach, as to the contract with Roach in the matter of the 'Tennessee,' wherein engines and boilers were sacrificed which cost the government large sums of money. This policy has led to the loss of large and valuable quantities of materials to the government. Mr. Wm. M. Cramp, of the firm of Messrs. Cramp and Sons, who had large contents with the Navy Department (and who by the way paid commissions to E. G. Cattell), testified that *Mr. Secretary Welles never attended to the details like the present Secretary does.* It therefore seems to be conclusive that Secretary Robeson was perfectly well posted and familiar with everything that transpired in his department, and his anxiety to shirk the responsibilities, must be construed as an admission that the department has been managed in such a manner, that it is no credit to him to be held responsible for its condition.

The Committee on Naval Affairs, in concluding their report to the House of Representatives on July 25, 1876, presented the following as the result of their investigations:

RESUME.

"This detail of abuses, errors, and frauds in the administration of the naval service might be, from the proof before your committee, enlarged and continued, but they deem it unnecessary still further to particularize them. They pause to answer, as best they may, the proper inquiry to be made, what is the cause of such evils? The primary caase is the want of a proper sense upon the part of the officers controlling this branch of the public service, of the nature and responsibility of the trust, with which they have been clothed by the people. They seem to regard themselves as supreme in discretion, and that the government was made for them and their friends; and that, in their use of position, the law has made no limit upon their powers, and that there is no controlling authority save that of him who possesses the power of appointment and removal. That such views of their rights and powers should beget personalism, corruption, and a disregard of the laws, and with it a contempt of the rights and complaints of the people is as natural as the growth of infidelity in the moral man, who rejects reliance upon the Divine Author of his being."

"With this defiance and disregard of law and contempt of the sovereign authority of the people, upon the part of those who control the service, we find its legitimate outgrowth of corruption, plundering and fraud among their subordinates. Naturally, we expect to and do find, from this premise, the secondary cause of the errors, abuses, and frauds to which we have called attention, and that is divided responsibility, each one in the service claiming to act for himself, to know nothing of the other parts of, or parties in the public service, and denying accountability for everything save that which—in which they are caught. For errors, abuses, and frauds existing at the navy yards, say those in charge, we are not responsible, because such are the orders from Washington; we simple obey. For errors, abuses, and frauds, says the Secretary, I am not responsible; the details of all matters of contracts, furnishing supplies, etc., I leave with the chiefs of bureaus. For errors, abuses, and frauds existing in the naval service, say the chiefs of the bureaus, we are not responsible; the Secretary prescribes the general policy of administration; we are but his subordinates, and through us details of the management pass to purchasing-paymasters and officers of the yards, who execute them according to their discretion, and if proper surveys or legitimate advertisements are not made we are not to be held liable. And so it travels in a circle. But we state right here that they have been struck with the almost total want of authority and control upon the part of commandants of navy yards, and the immense power and authority exercised by the chiefs of bureaus; and to their independent action in giving orders to the officers and employes of their own bureaus in the navy yards, is, more than any one single reason, to be ascribed the corruption and demoralization prevailing in the naval service. It is a pitiable reflection to make upon naval management that the commandment of the navy-yard at Brooklyn, an officer who, for his courage, gallantry, intelligence, and long faithful service, has been promoted to one of the highest posts of honor in the world, that of vice-admiral in the United States Navy, should feel himself compelled to say that his duties as commandment of the navy yard were simply those of a post-master; that is to say, that he received and distributed letters from the Secretary and the chiefs of bureaus to the independent

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little chiefs of bureaus at the yard, and forwarded back their letters of reply. Contrasts the position, duties, and subordination of Vice-Admiral Rowan with the position, privileges, and power of Chief Constructor Hanscom, and need we wonder that the public service is at the ebb we find it?"

REFORM SORELY NEEDED.

"Reformation, thorough and complete, is demanded in this branch of the public service, not only to relieve the public treasury of the barnacles that are rapidly destroying its wealth, but to restore the Navy to that proud eminence it once so honorably occupied. This should be done, and speedily, if we would preserve it all."

"It can be done, and at a saving of seven to eight millions of dollars per annum from the average appropriations of the last seven years. The proper support of our Navy—that is to say, the pay of its officers and men, the maintenance of a sufficient number of navy yards, the ordinary repair of vessels and their machinery, with their proper equipment and armament, together with ordinary incidental and contingent expenses, can be met with an annual appropriation of twelve millions of dollars per annum, and then, with an annual appropriation of three millions of dollars per annum, devoted to a permanent increase of the Navy, wisely and judiciously expended in conformity to and in harmony with the progress of modern improvements, in a few years our Navy will regain its lost position before the world."

"Having hastily inquired into the causes of the errors, abuses, and frauds existing in our naval service, and suggested the remedies that, in the opinion of your committee, will relieve the service, they have, before disposing of the inquiry as to who are the responsible actors and promoters of these frauds and abuses, to direct the attention of the House to the specific enactments of the law which they believe to have been violated, evaded, and disregarded. They are the following, as embodied in the Revised Statutes, and which provide as follows:

"SEC. 236. * * * All claims and demands *whatever* by the United States or against them, and all *accounts whatever* in which the United States are concerned, either as debtors or as creditors, shall be settled and adjusted in the Department of the Treasury."

"Disregarded in the cases of Hungerford, Matthews, if not others in this report referred to."

"SEC. 1538. * * * Not more than $3,000 shall be expended at any navy yard in repairing the hull and spars of any vessel, until the necessity and expediency of such repairs and the probable cost thereof are ascertained and reported to the Navy Department by an examining board, which shall be composed of one captain or commander in the navy, designated by the Secretary of the Navy, naval constructor of the yard where such vessel may be ordered for repairs, and two master-workmen of said yard, or one master-workman, and an engineer of the navy, according to the nature of the repairs to be made. Said master-workman and engineer shall be designated by the head of the Bureau of Construction and Repair."

"Violated in the rebuilding of the Galena, Vandalia, Marion, Quinnebaug, Puritan, Terror, Tallapoosa, Nipsic, and other vessels."

"SEC. 1541. The Secretary of the Navy is authorized and directed to sell, *at public sale,* such vessels and materials of the United States Navy as, in his judgment, cannot be advantageously used, repaired, or fitted out; and he shall, at the opening of each session of Congress, make a full report to Congress of all vessels and materials sold, the parties buying the same, and the amount realized therefrom, together with such other facts as may be necessary to a full understanding of his acts."

"Violated in this, that no report of the materials which have been "bartered and exchanged," or of the breaking up of vessels that their materials might be so sold, bartered, and exchanged, has been made to Congress by the Secretary, and the private sale made of such materials is a violation of this law. Property that cost the Government millions of dollars has thus been disposed of, and no "full" or other official report has been made thereof."

"SEC. 1544. Laborers shall be employed in the several navy yards by the proper officers in charge, with reference to skill and efficiency, and without regard to other considerations."

"SEC. 1546. No officer or employee of the Government shall require or request any workingman in the navy yard to contribute or pay any money for political purposes; nor shall any workingman be removed or discharged for political opinion; and any officer or employee of the Government who shall offend against

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the provisions of this section shall be dismissed from the service of the United States."

"These sections, passed to correct very grave abuses in the administration of the navy yards, have been systematically disregarded at the various navy yards, especially at Norfolk, Brooklyn, and Boston, and evidently with the knowledge and connivance of the Secretary and the Chiefs of the Bureaus of Construction and Steam Engineering."

"SEC. 1550. No person shall be employed or continued abroad to receive and pay money for the use of the naval service on foreign stations, whether under contract or otherwise, who has not been, or shall not be, appointed by and with the advice and consent of the Senate."

"Violated by the Secretary of the Navy in the selection of Jay Cooke, McCulloch & Co., J. O. Bradford, and others, as agents for such purpose at London."

"SEC. 1764. * * * And no allowance or compensation shall be made for any extra services whatever, which any officer or clerk may be required to perform, unless expressly authorized by law."

"Section 1765 is in substance the same purport."

"These sections were violated in the case of F. H. Stickney, disbursing clerk of the Navy Department. (See his proof, Miscellaneous testimony, p. 489.)"

"SEC. 1780. Every officer who neglects or refuses to make any return or report which he is required to make at stated times by any act of Congress * * * shall be fined not more than one thousand dollars and not less than one hundred dollars."

"See reference under section 1541."

"SEC. 3619. All proceeds of sales of old materials, condemned stores, supplies, or other public property of any kind, except the proceeds of the sale or leasing of marine hospitals, or of the sales of revenue-cutters, or of the sales of commissary stores to the officers and enlisted men of the army, or of the sale of condemned navy clothing, or of the sales of materials, stores, or supplies to any exploring or surveying expedition authorized by law, shall be deposited and covered into the Treasury as miscellaneous receipts, 'on account of proceeds of government property,' and shall not be withdrawn or applied, except in consequence of a subsequent appropriation made by law."

"Violated, in sale of boilers, engines, scrap-iron, copper, lead and provisions, made by the Chiefs of the Bureaus of Construction and Repair, Steam Engineering, and Provisions and Clothing, in their trade of bartering and exchanging these materials, etc. By such barter and exchange, the proceeds of sales so made are not covered into the Treasury."

"SEC. 3676. All appropriations for specific, general, and contingent expenses of the Navy Department, shall be under the control and expended by the direction of the Secretary of the Navy, and the appropriation for each bureau shall be kept separate in the Treasury."

"SEC. 3678. All sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

"SEC. 3679. No Department of the Government shall expend in any one fiscal year any sum in excess of appropriations made by Congress for that fiscal year, or involve the Government in any contract for the future payment of money in excess of such appropriation."

"These sections of the law have been repeatedly violated; in diversion of the appropriation to construct the eight sloops of war; in the transfer of funds, notably the admitted instance of transfer of clothing fund to pay of the navy; in the destruction of old bills and making new ones; and in the unquestioned indebtedness at this time of several of the bureaus beyond the appropriations made for their benefit."

"SEC. 3683. No part of the contingent fund appropriated to any Department, bureau, or office shall be applied to the purchase of any article, except such as the head of the Department shall deem necessary and proper to carry on the business of the Department, bureau, or office, and shall, by written order, direct to be procured."

"Violated in the case of the payment made of the Hungerford claim by order of the Secretary out of the contingent fund belonging to the Bureau of Yards and Docks."

"SEC. 3709. All purchases and contracts for supplies or services, in any of the Departments of the Government, except for personal services, shall be made by

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advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require the immediate deliveries of the articles or performance of the service. When immediate delivery or performance is required by the public exigencies, the articles or service required may be procured by open purchase or contract at the places and in the manner in which such articles are usually bought and sold, or such services engaged between individuals.

"SEC. 3718. All provisions, clothing, hemp, and other materials of every name and nature, for the use of the navy, and the transportation thereof, when time will permit, shall be furnished by contract by the lowest bidder, as follows: In the case of provisions, clothing, hemp, and other materials, the Secretary of the Navy shall advertise, once a week for at least four weeks, in one or more of the principal papers published in the place where such articles are to be furnished, for sealed proposals for furnishing the same, or the whole of any particular classes thereof, specifying the classes of materials and referring bidders to the several chiefs of bureaus, who will furnish them with printed schedules, giving a full description of each and every article, with dates of delivery, and so forth. In the case of transportation of such articles, he shall advertise for a period of not less than five days. All such proposals shall be kept sealed until the specified day in such advertisement for opening the same, when they shall be opened by or under direction of the officer making such advertisement, in the presence of at least two persons. The person offering to furnish any class of such articles, and giving satisfactory security for the performance thereof, under a forfeiture not exceeding twice the contract price in case of failure, shall receive a contract for furnishing the same."

"SEC. 3721 exempts from advertisement, etc., 'ordnance, gunpowder, or medicines, or the supplies which it may be necessary to purchase out of the United States for vessels on foreign stations, or bunting delivered for the use of the navy, or tobacco, or butter, or cheese destined for the use of the Navy, or things contraband of war,'" etc.

"SEC. 3722 provides: 'And no person shall be received as a contractor who is not a manufacturer of or regular dealer in the articles which he offers to supply.'"

"These sections of the law have been constantly disregarded and violated. Multiplied millions of dollars' worth of supplies have been purchased and contracts made in utter contempt and disregard of these laws. By section 3721 certain articles are excepted from the operations of the law. These are specifically named, and it would seem, from the well-known principles of construction of the law, that no officer of the Government could err as to his duty in making advertisements, but the facts are otherwise.'"

"SEC. 3732. No contract or purchase on behalf of the United States shall be made unless the same is authorized by law, or is under an appropriation adequate to its fulfillment, except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, or transportation, which, however, shall not exceed the necessities of the current year."

"This section is violated in the contracts made for the repairing of the Puritan, Terror, Miantonomoh, Monadnock, and Amphitrite, etc., and in the purchases made of the Planter, America, and Sea Weed."

"Sections 3744 and 3745, which require contracts to be in writing and signed by the contracting parties, and that said contracts shall be filed, etc., are disregarded and violated in the agreements made with George T. Wallace, Orville C. Grant, and others referred to in this report."

"SEC. 5439. Every person who steals or embezzles, or knowingly applies to his own use, or who unlawfully sells, conveys, or disposes of any ordnance, arms, ammunition, clothing, subsistence stores, money, or other property of the United States, furnished or to be used for the military or naval service, shall be punished as prescribed in the preceding section."

"This law has been violated, in the opinion of your committee, in the manner of the purchase of material for furniture at the Washington Navy Yard by the Secretary. It has been violated in the manner of the disposition of old material by barter and exchange, and in the manner of the disposition of clothing and provisions by the Bureau of Provisions and Clothing."

CONCLUSION.

In this hurried review of the Navy Department, from the induction of George M. Robeson as Secretary of the Navy, to the present time, we have doubtless omitted many interesting facts; but our aim has been to select and dwell upon the most

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flagrant abuses, particularly upon those with which Secretary Robeson is intimately identified, and what a picture is here presented! During the last seven years the Secretary of the Navy has disregarded nearly every law upon the Statute books which relates to his Department. He has violated the law in the letting of contracts; the purchasing of supplies; in the destruction and sale of property belonging to the service; in failing to cover into the Treasury the proceeds of sales of property; in the expenditure and disbursement of the appropriations made for the support of the navy; in exceeding the appropriation made by Congress for a given fiscal year; in involving the government for the future payment of money, in excess of the appropriation made for the Department; in making contracts to purchase, the same not being authorized by law, and no appropriation adequate to their fulfillment being made; in the employment of labor and mechanics upon private work; upon assessing employees for sums of money to be used for political and partisan purposes; for failing to exact bonds from contractors, and failure to enforce penalties of such bonds in case of default; in the employment of persons to receive and pay money for the use of the naval service on foreign stations; in the illegal disposition of the public funds; in failing to make report to Congress as required by law; in failure to exact fideltiy in the administration of the law by subordinates whereby corruption has grown up; in the administration of the revenue intrusted to the control of the Secretary of the Navy, which from the peculiarity of its nature and the cunning of its contrivance must hereafter be known as "Cattellism." This system of corruption, likely to affect the entire revenue and credit of the country, should be checked, and in the most vigorous manner rebuked by the people through the ballot-box at the approaching election. The man who killed the Tammany Ring, and who annihilated the Canal Ring of his State, will not fail to destroy the Navy Ring and every other ring that infests the National Government, if he is elected President of the United States.

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THE CREDIT MOBILIER.

OFFICIAL ACCOUNT OF THE GREATEST STEAL OF MODERN TIMES.

The history of the monstrous swindle by which FIFTY MILLIONS OF DOLLARS were stolen in the construction of the Union Pacific Railroad, is herewith submitted. This statement of the facts connected with this gigantic robbery, consists almost entirely of extracts from official reports and the debates in Congress.

The germ of the Pacific railroad legislation was the charter granted by the pro-slavery Legislature of Kansas Territory in 1855, for the Leavenworth, Pawnee, and Western Railroad Company, which afterward became the Union Pacific, eastern division, and is sometimes called the Denver Pacific. It is understood that this company furnished the funds used in Congress in 1862 to promote the Pacific railroad bill, that road having been made a branch. Detailed statements of the distribution of these funds have been published, but as they are not official they are not included here (see New York Tribune, September 28, 1872).

It was said in that debate that this road was the "pivot" of the bill. The length of the branch was not limited save by the one hundredth meridian, and the main stem (Union Pacific) was to begin where the branch should end.

Mr. Pomeroy, who introduced the bill in the Senate, said the friends of this branch had abandoned two degrees of its proposed length in compromise.

The circumstances attending that legislation of 1862 led Mr. Lovejoy to say in the House:

"Mr. LOVEJOY: I am for a Pacific railroad, although I am free to confess that *I dislike the idea of converting Congress into a railroad company. We are not here as a railroad corporation*," (see Globe, vol. 47, p. 1699).

THE ACT OF 1862.

The first bill in regard to building a Pacific railroad was passed July 1st, 1862. It contemplated an organization composed of men from all quarters of the country, so that the stock might be distributed in an equitable manner to the different sections of the country. There were 158 corporators named in the bill. The main features of this act were first to incorporate the persons named with five commissioners designated by the Secretary of the Interior under the name and style of the Union Pacific Railroad Company, who were authorized to build and maintain a railroad from the one Hundredth meridian to the western boundary of Nevada territory. The capital stock was one hundred millions of dollars, divided into shares of one thousand dollars each; not more than two hundred shares to be held by any one person. As soon as two thousand shares or two per cent. of the stock was taken and ten dollars a share or one per cent. paid in, the President and the Secretary of the Board of Commissioners were to designate the time at which the subscribers to the stock should meet and elect officers for the corporation. The right of way was granted through all the public domain with all necessary grounds for stations, buildings, workshops, side-tracks, etc., and alternate sections of land for ten miles on each side of the road. In addition there was granted United States bonds at the rate of sixteen thousand dollars per mile for about one hundred and fifty miles; forty-eight thousand dollars per mile for three hundred miles, to include the section crossing Rocky Mountains and Sierra Nevada, and thirty-two thousand dollars per mile for about eight hundred and fifty miles included between the two ranges named. These bonds were declared to be a first mortgage upon the road, and the grant was made on the express condition that they should be paid at maturity, and all compensations for services rendered to the government was to be applied to pay the interest on said bonds, and five per cent. of the yearly earnings of the road was to be reserved and applied to the payment of the principal of said bonds.

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The act of 1862 was overloaded with branches, receiving subsidies in lands and bonds which were not needed to secure the roads, and herein consisted the abuses of that act. These branches extended into Kansas, Nebraska, and Iowa (with branches of branches crossing the States). Out of one of these Iowa branches grew the Sioux City Pacific, which was diverted from extending westward from Sioux City across Nebraska to a line running southeast down the Missouri river, and Government lands and bonds were taken on that line.

Speaking of these branches in 1862, Mr. Lovejoy said (see Globe, vol. 47, page 1700):

"Mr. LOVEJOY: We propose to give $67,000,000, or $100,000,000 for this enterprise, the main trunk to receive not over $50,000,000; but when we come to trace up the side roads and branches you find $17,000,000 more stowed away in these roads to which we ought not to give one cent."

Mr. Morrill, of Vermont, moved an amendment to require that $10,000,000 cash capital be paid in, but it was defeated. The result is that speculators have operated on Government subsidies, spending more money in corruption than they have invested in the road.

THE ACT OF 1864.

But the great wrong began in the act of 1864, which doubled the land grants, abandoned the Government security by enabling the companies to place prior mortgage, and provided equal amounts that only half the earnings on Government freight should be applied on interest due the United States.

The time fixed for the completion of the roads was passing. The Union Pacific was scarcely begun. They claimed that eighty miles of the eastern division were graded and twenty miles in running order. They also claimed to have $2,000,000 of stock subscribed and $200,000 paid in, and to have expended $800,000.

During the debate in 1864, Mr. E. B. Washburne said (see vol. 53, page 351):

"Mr. WASHBURNE, of Illinois. Who are the men who are here to lobby this bill through? Have the men of high character and of national reputation whose names were at an earlier period connected with this enterprise been here, animated by a commendable public spirit, by motives of patriotism, to ask us to pass this bill? I have not heard of such men being here for that purpose, but on the other hand, the work of 'putting the bill through' has gone into the hands of such men as Samuel Hallett and George Francis Train, *par nobile fratrum.*"

Mr. WASHBURNE, of Illinois, in opposing the provisions of this act of 1864 which gave the company the right to issue first mortgage bonds and make the government lien on the road secondary to the mortgage which secured the bonds issued by the company (Globe, volume 53, page 3152), said:

"I come now to the tenth section of the bill, and I confess to a sort of admiration of the sublime audacity which parties must have to come here and ask Congress to enact such a provision into a law.

"I have called attention to other provisions of an extraordinary nature, but this proposed enactment throws all others far into the shade, and stands out in bold relief as an indication of the 'base uses' that this company have conceived that Congress may be put to in their behalf. I carefully read the section, that every gentleman may know its exact meaning and purport:

"SEC. 10. *And be it further enacted*, That section five of said act be so modified and amended that the Union Pacific Railroad Company, the Central Pacific Railroad Company, and any other company authorized to participate in the construction of said road, may issue their first mortgage bonds on their respective railroads and telegraph lines to an amount not exceeding the amount of the bonds of the United States authorized to be issued to said railroad companies respectively. And the lien of the United States bonds shall be subordinate to that of the bonds of any or either of said companies hereby authorized to be issued on their respective roads, property, and equipments. And said section is further amended by striking out the word 'forty' and inserting in lieu thereof the words 'on each and every section of not less than twenty.'

SURRENDERING EVERYTHING TO THE CORPORATION.

"Now, it will be recollected that the fifth section of the existing law provides for the repayment of the bonds issued to the company, and declares that the issue and delivery of them to the company shall *ipso facto* constitute a first mortgage on the whole line of road and telegraph, together with the rolling stock. This was the security which Congress had a right to demand of any company that should be organized. It was its duty to require it unless it was intended to surrender up

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everything and place the most gigantic interests at the feet of the company, without control and without challenge. We donated, as I have before stated, millions upon millions of acres of the public lands to the company for this purpose, then we agreed to give our bonds for the amount, with the interest thereon, of $96,000,000, and if Congress had required less than a first mortgage as its security it would, in my judgment, have been derelict in its duty to the country, whose interests in this regard it can alone protect.

"What is now proposed by this amendment? I demand that gentlemen shall look at it; let the mirror be held up to nature. Nothing less than the government, with its liability of a hundred millions, shall relinquish its first mortgage and subordinate its lien to the liens of all the companies created for building the road. The bonds of the United States are to be issued to the company, and the government is to have no prior lien for its security; but by this provision the company, representing as it may but one per cent. or a little over of the amount that the government is liable for, is to subordinate that government to its own interests, raise money on the means that the government has furnished, give a first mortgage for the security of that money, and leave the United States as a second mortgagee, obliged to pay off the first mortgage before it can be in a position to take advantage of any security there might by possibility be as a second mortgagee. But who is wild enough to believe that should the provisions of this section become a law the remaining security of the government will be worth a straw?

"It is worse than idle to contend that we shall have any security left for all our liability if this bill shall pass. And further, by the fifth section of the law bonds cannot be issued till forty consecutive miles of the road are fully completed and equipped. It is now proposed by this tenth section to strike out forty and make it twenty. This company, not content with snatching from the Government the security it now holds for the bonds it issues, cannot even wait to finish the forty miles of road at present required before grabbing what is proposed to put into their hands, but they must cut it down so they can go in on twenty miles. Sir, on my responsibility as a Representative I pronounce this as the most monstrous and flagrant attempt to overreach the government and the people that can be found in all the legislative annals of the country. When we look at the original law with all its liberal and just provisions, when we look at the company organized under it and see how far it has failed to meet its proper obligations, and consider the extraordinary amendments here proposed, are we not filled with astonishment at what is demanded of us as the guardians of the people's rights? Indeed, may we now exclaim:

"'Can such things be,
And overcome us like a summer's cloud,
Without our special wonder?'

WARNINGS WHICH WERE NOT HEEDED.

"I warn the true friends of the road, I warn Congress and the people what will be the result. The present directors of the company hold for three years, and the whole business of the directors is done by an executive committee of the board, who hold for the same time. The real state of the case seems to be that the executive committee is the board of directors, and one man is the executive committee."

The vote on the motion of Mr. E. B. Washburne, to strike out this tenth section subordinating the Government lien, was taken June 24, 1864 (Globe, vol. 52, p. 3244).

The yeas were 38, nays 81, not voting, 63. Among the yeas were Messrs. Boutwell, Farnsworth, Holman, Orth, Scofield, Spalding, and E. B. Washburne.

Among the nays, Messrs. Allison, Ames Blaine, Brooks, Dawes, Eliot, Kelley, and Wilson.

Among those not voting. Messrs. Alley, Garfield, and Hooper.

The final vote on the passage of the bill was taken June 25, 1864 (see Globe, vol. 53, p. 3267), and resulted, yeas 70, nays 38, not voting, 74.

Among the yeas were Messrs. Allison, Ames, Blaine, Brooks, Dawes, Eliot, Garfield, Hooper, and Wilson.

Among the nays, Messrs. Boutwell, Holman, Orth, Scofield, and E. B. Washburne.

Among those not voting, Messrs. Alley, Cox, Eldredge, Farnsworth, Kelley, Randall, and Voorhees.

The bill returned to the Senate, and finally passed on a conference report, which was not printed, the call of E. B. Washburne for the yeas and nays being refused (see Globe, vol. 53, p. 3481).

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Under the provisions of the act of 1862 and the amendments of 1864, the Union Pacific railroad obtained about twelve millions of acres of land and bonds guaranteed by the government to the amount of $27,236,512, and was authorized to issue first mortgage bonds to a like amount. The first section of the act of 1862 required a subscription of $2,000,000 to be made, and ten per cent. thereon to be paid before organization. The sum of $2,180,000 was subscribed, and ten per cent., $218,000, paid in, and in October, 1863, the company was organized and the Board of Directors was elected.

In addition to the first mortgage bonds of the company, and the government bonds of $54,473,024, the company also issued land-grant bonds, and income bonds, and stock, amounting in all to about $50,000,000, so that there were assets, independent of the 12,000,000 acres of public lands, about $111,000,000.

OVER A MILLION THE FIRST HAUL.

The first contract for the construction of the road was made with one H. M. Hoxie, who seemed to have been a person of little pecuniary responsibility. His proposal to build and equip one hundred miles of the railroad and telegraph is dated New York, August 8, 1864, signed H. M. Hoxie, by H. C. Crane, attorney. It was accepted by the company September 23, 1864. On the 30th of September, 1864, Hoxie agreed to assign this contract to Thomas C. Durant, who was then Vice-President and Director of the Union Pacific railroad, or such parties as he might designate. On the 4th of October, 1864, this contract was extended to the one hundreth meridian, an additional one hundred and forty-six and forty-five hundreth miles, the agreement for extension being signed by Crane as attorney of Hoxie. Hoxie was an employee of the company at the time, and Mr. Crane, who signed as Hoxie's attorney, was Durant's "confidential man," as Durant himself expresses it.

By this contract and its extension Hoxie agreed to build two hundred and forty-six and forty-five hundreths miles of road, to furnish money on the securities of the company, to subscribe one million dollars to the capital stock, and he was to receive fifty thousand dollars per mile for the work.

On the eleventh day of October, 1864, an agreement was entered into by Durant, Bushnell, Lambard, McComb, all directors of the Union Pacific Railroad Company, and Gray, a stockholder, to take from Hoxie the assignment of his contract (which assignment he had previously bound himself to make to such persons as Durant should designate), and to contribute $1,600,000 for the purpose of carrying the contract out.

The then Chief Engineer of the road, Peter A. Dey, in his testimony before the Wilson Investigating Committee of the Third Session, Forty-second Congress, testified that at the time this Hoxie contract was made, he had surveyed and estimated the one hundred miles embraced in it, and that upon that estimate he made the cost not to exceed $30,000 per mile. He was directed to make a larger estimate, which he did, bringing up the cost to about $50,000 per mile. When the Hoxie contract was submitted to him, he objected to it, and finding that it was to be executed and the work done under it, he resigned his position as Chief Engineer and said in his letter of resignation, dated December 7, 1864, to the President of the Company, Gen. John A. Dix: "My reasons for this step are simply that I do not approve of the contract made with Mr. Hoxie for building the first hundred miles from Omaha West, and I do not care to have my name so connected with the railroad that I shall appear to endorse this contract."

The directors of the company above named who procured the assignment of the Hoxie contract to themselves, were liable individually as partners for all debts incurred in the joint undertaking. This was not to their liking, and so they looked about for a corporation which would stand between them and this responsibility; they found the Credit Mobilier of America.

HISTORY OF THE CREDIT MOBILIER.

The history of this now famous corporation is as follows: On November 1, 1859, the Legislature of the State of Pennsylvania incorporated the "Pennsylvania Fiscal Agency." The powers conferred upon this corporation were something wonderful. It was empowered to carry on almost every sort of financial business, except banking, without individual liability on the part of its stockholders. The company had been organized before the war of the rebellion, a part of its stock subscribed, and an instalment thereon paid in. Among the corporators were Duff Green, David R. Porter, formerly Governor of the State of Pennsylvania

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and a number of other Pennsylvania capitalists. The promoter of this enterprise was Duff Green, and his intention was to use it in building a Southern Pacific Railroad along the line since adopted by Tom Scott's Texas Pacific Company. While Durant, Bushnell, McComb, and the other directors of the Union Pacific Railroad were puzzling their heads in order to evolve a plan whereby they might execute the Hoxie contract without incurring individual liability, George Francis Train, who knew of Duff Green's fiscal agency, suggested to Durant the idea of purchasing it. There was one difficulty, however, in the way. None of the officers of the fiscal agency were to be found except the Secretary, a fellow named Barnes. Duff Green, the President, the owner of the majority of the stock, was within the Confederate lines, but Barnes got together a few of the stockholders, organized anew the concern, and sold it to Durant through George Francis Train. Then Train suggested that the name of the corporation be changed to the Credit Mobilier of America.

The charter provided that an agency might be established in the city of New York, and accordingly Durant and his associates transplanted the corporation, and the stock of it was taken by the men who had subscribed for the two million and odd dollars of the stock of the Union Pacific Railroad. This done, these same men as officers of the Credit Mobilier of America purchased from themselves the stock of the Union Pacific Railroad which they had subscribed for. They went ahead then and completed, under the Hoxie contract, that portion of the Union Pacific Railroad lying between Omaha and the one hundredth meridian.

This contract cost the Union Pacific Railroad Company	$12,974,416 24
It cost the Credit Moblier of America	7,806,183 30
Thus the first profits realized were	$5,168,233 91

When the Hoxie contract was completed an agreement was made (November 10, 1866), by Thomas C. Durant, Vice-President of the Union Pacific Railroad, with a Mr. Boomer, for the construction of one hundred and firty-three and thirty-five one hundredths miles west of the one hundredth meridian. Fifty-eight miles of road were completed under this contract and accepted by the government. It cost the contractor about $27,500 per mile to build these fifty-eight miles of road. The Credit Mobilier of America was not satisfied with this arrangement and would not suffer the contract to be carried out, although Durant, the vice-president of the road, and the real manager of it, insisted that the contract should be executed. However, the majority of the Board of Directors of the railroad company, who were also a majority of the directors of the Credit Mobilier of America, opposed Durant, and, on January 5, 1867, they passed a resolution extending the Hoxie contract over six hundred and fifty-eight miles of this completed railroad, thereby proposing to pay to the Credit Mobilier the sum of $22,500 per mile for this fifty-eight miles, amounting to the sum of $1,345,000, without any consideration whatever. Subsequently $1,104,000 was, under this resolution, paid to the Credit Mobilier on account of this fifty-eight miles, for the construction of which it had never had even the semblance of a contract (see pages 6, 7, 8, Wilson Report, Credit Mobilier Investigation, Third Session, Forty-second Congress).

DURANT WAS INDIGNANT.

The cause of his indignation is not quite apparent to outsiders, but from the character of the man it is reasonable to suppose that he expected to make more for himself through the Boomer contract than he would get by his dividends from the Credit Mobilier. At any rate a fight ensued between Durant and the majority of the directors of the road, who were the officers of the Credit Mobilier. Both sides were threatening to appeal to the courts, and did sue out writs of injunction. There seemed to be a New England party and a New York party. Oakes Ames, John B. Alley, and other New England capitalists, were not satisfied with Durant and wanted to depose him. They thought that Durant had too much influence with the New York courts, and hence they came to Congress to get legislation which would enable them to change the time and place of holding the meetings of the stockholders of the Union Pacific Railroad Company. A joint resolution was introduced by Mr. Dawes, of Massachusetts, in the House of Representatives, December 16, 1867, and was debated that day and passed (see Congressional Globe, volume 65, pages 211 and 212).

During the debate on this resolution, Mr. WASHBURNE said:

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I desire to add to the resolution the following proviso:

Provided, That hereafter the said railroad company shall not be allowed to charge and receive for freight or passage over the said road more than double the amount which shall be charged on the principal lines of railroads between the Mississippi river and the Atlantic coast.

I presume the gentleman from Massachusetts [Mr. Dawes] will not object to that.

Mr. DAWES: "I do not desire to have attached so important a provision as that upon this simple resolution in reference to the choosing of the officers of this road."

Mr. WASHBURNE, of Illinois: "I shall continue to press this matter upon Congress while I have a seat here, until Congress shall adopt the provision I have read, and I think I can convince the House that there is no more just provision than the one I have proposed; and I am surprised that my friend from Massachusetts [Mr. Dawes] should stand here and oppose it. I would ask my friend whether he knows that this company, whose road the government is building by its enormous subsidies of $95,000,000 and some forty million acres of land, the company getting the road without the expenditure of a single dollar of its own money, is charging ten cents a mile for every passenger, and on freight one cent per mile on every hundred pounds, more enormous charges than have ever been known in any country? I think it is the duty of the representatives of the people, unless they intend to become a party to this monopoly, to step in at the earliest moment and put a stop to this system of exorbitant charges."

UNSEASONABLE OPPOSITION.

Mr. DAWES: "Mr. Speaker, I wish to state in reply to what the gentleman from Illinois has said, by way of justification of my asking the House to pass this resolution, that he knows me well enough to know if I ever failed to co-operate with him in any opposition he makes to any appropriation of land or money, it is because he not only opposes such measures in season, but, sometimes, he opposes them out of season. It is only then, sir, that I fail to co-operate with him. I know very well the gentleman's position on land grants, and almost always go with him; but why does he bring that in here in connection with this simple proposition to allow these stockholders to change the place of annual meeting? It is a privilege accorded to every corporation."

Mr. HARDING: "Where do they meet now?"

Mr. DAWES: "I will tell the gentleman all about that. They are required to meet in the city of New York, and nowhere else, and on a particular day in October. They want the privilege to hold their annual meeting in the spring instead of in the fall, and to designate at one meeting where they will assemble at the next within certain limits; that is, within five places named."

Mr. GARFIELD: "I desire to make an inquiry of the gentleman from Massachusetts [Mr. Dawes]. I understand that there has been a serious difference, not to use a harsher term—perhaps we ought to call it a very severe quarrel—in the board of directors in reference to the management of the affairs of this railroad; as the gentleman from Massachusetts suggests, it might well be called the 'recent unpleasantness' in connection with this road. I desire to know whether the proposition here offered has any relation to that quarrel and makes us in any way a party to it—whether we take sides with either party to that quarrel? I would be glad to know that before I am called on to vote on it."

Mr. DAWES: "I am frank to say that I know nothing about this quarrel, and I do not represent any one party. But I do not see how this can affect it at all. It simply changes the time and fixes the place for holding the next annual meeting. That is all."

Mr. GARFIELD: "That change of time may get one party out of power and the other in. That is the only point that I raise."

Mr. DAWES: "I move to suspend the rules to enable me to introduce the joint resolution."

The resolution having passed the House, was returned from the Senate with amendments, and its consideration was resumed by the House December 17, 1867 (see Globe, vol. 65, pp. 232, 233).

UNION PACIFIC RAILROAD.

The next business on the Speaker's table was an amendment of the Senate to the joint resolution of the House No. 126, changing the time of holding the annual meeting of the stockholders of the Union Pacific Railroad Company.

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The amendment of the Senate was to add to the joint resolution the following: *And provided further*, That on the election of directors herein provided for, to take place in March, A. D. 1868, the terms of office of the persons then acting, or claiming the right to act as directors of said company shall cease and determine.

Mr. DAWES: "That amendment is merely expressing what of course would be the legal effect of the joint resolution without it. I move that the amendment be concurred in; and upon that motion, I call for the previous question."

Mr. WASHBURNE, of Illinois: "Will the gentleman permit me to ask a question?"

Mr. DAWES: "Certainly."

Mr. WASHBURNE, of Illinois: "I ask the gentleman whether there is a quarrel between two sets of directors, and whether this is not in the interest of one set of directors?"

Mr. DAWES: "I will answer, that when I came in with this resolution yesterday I did not know that fact. I have no communication with any set of directors. I told the house then frankly all I knew about this subject. I never heard of a corporation before that had not the power in and of itself to change the time for holding its annual meeting. It was proper in the organic act to fix some time. I have no doubt the stockholders will designate the proper time."

Mr. BROOKS: "Is it settled who are the stockholders of the Pacific Railroad? Is it known who they are?"

Mr. DAWES: "I am told since I came here that there has been a difficulty about the election of directors, and that makes it necessary to have a provision for calling another meeting in March next, so the stockholders can meet and settle it. With whom can it be more safely trusted? With whom shall we trust the question who shall be the directors better than the stockholders themselves? And here is a promulgation to every stockholder in the wide country of this meeting for the election of directors. What can be fairer than that? I have no interest with one side or the other.

Mr. BROOKS: "Who are the stockholders?"

Mr. DAWES: "I will answer in the words of the friend before me, that the stockholders are those who hold the stock. [Laughter.] I demand the previous question."

Mr. WASHBURNE, of Illinois, called for tellers.

Tellers were ordered; and Mr. DAWES and Mr. BROOKS were appointed.

The House divided; and the tellers reported—ayes, 67; noes, 58.

So the previous question was seconded.

The main question was then ordered.

Mr. WASHBURNE, of Illinois, moved that the amendment of the Senate be laid on the table; and on that motion demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken, and it was decided in the negative—yeas 44, nays 97, not voting 47.

Among the yeas were Messrs. Garfield, Logan, Elihu B. Washburne.

Among the nays were Messrs. Allison, Ames, Bingham, Blaine, Dawes, Eliot, Hooper, Kelley, Peters, Pike, Scofield, James F. Wilson.

Among those not voting, Messrs. Boutwell and Brooks.

So the House refused to lay the amendment on the table.

The amendment of the Senate was then concurred in.

Mr. DAWES moved to reconsider and lay on the table; which was done.

While this resolution was pending, Durant, in order to compel his opponents to compromise with him, announced his determination to make a complete exposure of all the rascality connected with the building of the Union Pacific Railroad. Accordingly he wrote a letter in which he set out all the facts, and actually mailed it to Mr. Washburne. When his opponents learned of this, they agreed to his compromise, and then went to the Post Office and got Durant's letter out and destroyed it (see Credit Mobilier Investigation, Poland Committee, Third Session, Forty-second Congress, p. 175). Then Mr. J. M. F. Williams, of Boston, was given the contract to build and equip two hundred and sixty-seven and fifty-two one hundred miles west from the one hundredth meridian, at fifty thousand dollars per mile. This contract he proposed to assign to the Credit Mobilier, of America, in order to enable it, or the managing Directors of the Union Pacific Railroad through it, to make a profit of about 22,500 dollars per mile on ninety-eight and one quarter miles of road which had by this time been completed under the Boomer contract. With reference to this, Mr. Williams was asked:

"Q. Then what purpose had you to propose to build a road that had already been

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built by the company at a cost to them of less than the amount mentioned in your proposition? A. We were identical in interest. The Credit Mobilier and the Union Pacific Railroad Co. were the same identical parties. We were building it for ourselves, by ourselves, and among ourselves. There was not twenty thousand dollars outside interest in it.

Q. Was this understood at the time? A. Yes, sir; it was understood that we were dealing with ourselves to get the control in the right hands."

DURANT AGAIN INTERFERED AND DEFEATED THIS PROJECT BY LEGAL PROCEEDINGS.

Then a new device was resorted to; on the sixteenth of August, 1867, 'The Oakes Ames Contract' was entered into. At this time, one hundred and thirty-eight miles of road had been completed and accepted west of the one hundredth meridian, at a cost of one hundred and twenty-seven thousand dollars per mile. A portion of the road embraced in the Ames contract began at the one hundredth meridian and extended westward six hundred and sixty-seven miles, and by the terms of the contract the railroad company was to pay as follows:

For the first one hundred miles		$42,000	per mile	$4,200,000
" next 167 miles,		$45,000	per mile	7,515,000
" " 100 "		96,000	"	9,600,000
" " 100 "		80,000	"	8,000,000
" " 100 "		90,000	"	9,000,000
" " 100 "		96,000	"	9,600,000
667				$47,925,000

At the time this contract was made there was an understanding that it was for the benefit of the shareholders of the Credit Mobilier. Ames was the only medium through whom these shareholders should receive the benefits accruing from it.

This contract was signed on behalf of the railroad company by Oliver Ames, as President *pro tempore*, who was brother and business partner of Oakes Ames. It was approved by Oliver Ames, C. S. Bushnell, Springer Harbaugh, and Thomas C. Durant, as Executive Committee of the Railroad Company, all of whom, excepting Harbaugh, were interested in the Credit Mobilier.

Pursuant to the previous understanding that this contract was to be for the benefit of the shareholders of the Credit Mobilier, on the 15th day of October, 1867, it was signed by a tripartite agreement to seven trustees, namely, Thomas C. Durant, Oliver Ames, John B. Alley, Sydney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benj. E. Bates, all stockholders in the Union Pacific Railroad Company and in the Credit Mobilier, Oliver Ames occupying the anamolous position of president of the railroad company making the contract, and one of the parties to whom it was assigned—all of them were directors of the railroad company.

"It will be seen by this that in order to procure any of the proceeds of this contract stockholders of the Credit Mobilier who owned stock in the Union Pacific Railroad Company, were compelled to give an irrevocable proxy to these seven trustees to vote in all cases six-tenths of their railroad stock.

"The stockholders in the two corporations were substantially identical. These proxies were executed and delivered to these trustees; they represented a majority of the stock, and by this means the entire control of the railroad company passed out of the hands of the stockholders of the latter company, and was reposed in the seven trustees, and for two years they exercised the power thus acquired."

The management of the affairs of the railroad company during the execution of the work under this contract, was under the control of the beneficiaries thereof, and of course the trustees who acquired this power by means of the proxies above mentioned, were not very anxious to protect the interest of the Union Pacific Railroad Company.

"THIS OAKES AMES CONTRACT

extended over 138 miles of road completed and accepted. That portion already completed had cost not to exceed $27,500 per mile, and by embracing these one hundred and thirty-eight miles in the contract, the persons interested derived a profit which enabled them to make a dividend among themselves, in less than sixty days after the assignment, as follows:

Sixty per cent. in first mortgage bonds of the Union Pacific Railroad Company	$2,244,000
Sixty per cent. in stock of the Union Pacific Railroad Company	2,244,000

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"This was mainly, if not entirely, derived from the owners of the contract over what the one hundred and thirty-eight miles had cost. The trustees proceeded to construct the road under this contract, and from a balance sheet taken from the books of the company, it appears

That the cost to the railroad company, was	$57,140,102 74
The cost to the contractors, was	27,285,141 99
Profits	$29,854 141 99

The Oakes Ames contract was entered into August 16, 1867, and on December 9, 1867, Mr. Washburne, of Illinois, introduced House resolution No. 252, which was referred to the Committee on Pacific Railroads. This resolution provided that the Secretary of War, the Secretary of the Interior, and Attorney-General of the United States, should appoint a Board of Commissioners, whose duty it should be, on the first day of July in each year, to establish a tariff for freight and passengers over the Union Pacific and Central Pacific Railroads, and their branches, which tariff was to be equitable and just, and not exceeding double the average rates charged on the different lines of railroad between the Mississippi River and the Atlantic Ocean, and in latitude north of St. Louis, Mo., and it should not be lawful for said company to charge any sum in excess of the rates so fixed and established. The Committee on Pacific Railroads not reporting on this resolution, it was reintroduced in the morning hour, Monday, January 20, 1868, by Mr. Windom, and read the first and second time; but the previous question not being seconded, Mr. Higby arose and debated the resolution. It went over under the rules, but came up again March 12, 1868, and debated. Between the reintroduction of this Washburne resolution, on January 20 and March 12, when the debate, which will be quoted hereafter, occurred, the following correspondence between Oakes Ames and H. S. McComb ensued:

OAKES AMES' LETTERS, WITH LIST OF ASSIGNMENTS AS GIVEN TO MCCOMB.

WASHINGTON, *January* 25, 1868.

DEAR SIR: Yours of the 23d is at hand, in which you say Senators Bayard and Fowler have written you in relation to their stock. I have spoken to Fowler but not to Bayard. I have never been introduced to Bayard, but will see him soon. You say I must not put too much in one locality. *I have assigned*, as far as I have gone to, *four from Massachusetts*, one from New Hampshire, one Delaware, one Tennessee, one Ohio, two Pennsylvania, one Indiana, *one Maine*, and I have three to place, which I shall put where they will do most good to us. I am here on the spot, and can better judge where they should go. I think after this dividend is paid we should make our capital to four millions, and distribute the new stock where it will protect us, let them have the stock at par, and profits made in the future; the fifty per cent. increase on the old stock I want for distribution here, and soon. Alley is opposed to the division of the bonds; says we will need them, etc. I should think that we ought to be able to spare them, with Alley and Cisco on the Finance Committee—we use to be able to borrow when we had no credit and debts pressing. We are now out of debt and in good credit—what say you about the bond dividend—a part of the purchasers here are poor, and want their bonds to sell to enable them to meet their payment on the stock in the C. M. I have told them what they would get as dividend, and they expect, I think, when the bonds the parties receive as the eighty per cent. dividend, we better give them the bonds—it will not amount to anything with us. Some of the large holders will not care whether they have the bonds or certificates, or they will lend their bonds to the company, as they have done before, or lend them money. Quigley has been here, and we have got that one-tenth that was Underwood's. I have taken half, Quigley one-quarter, and you one-quarter. J. Carter wants a part of it; at some future day we are to surrender a part to him.

Yours, truly,

OAKES AMES.

H. S. MCCOMB, Esq.

WASHINGTON, *January* 30, 1868.

DEAR SIR: Yours of the 28th is at hand, inclosing copy of letter from, or rather to, Mr. King. *I don't fear any investigation here. What some of Durant's friends may do in New York courts can't be counted upon with any certainty. You do not understand by your letter what I have done and am to do with my sales of stock. You*

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say none to New York. I have placed some with New York, or have agreed to. You must remember that it was nearly all placed as you saw it on the list in New York, and there was but six or eight m. for me to place. I could not give all the world all they might want out of that. You would not want me to offer less than one thousand m. to any one. We allow Durant to place some fifty-eight thousand to some three or four of his friends, or keep it himself.

I have used this where it will produce most good to us, I think. In view of King's letter and Washburne's move here, I go in for making our bond dividend in full. We can do it with perfect safety. I understand the opposition to it comes from Alley; he is on the Finance Committee, and can raise money easy if we come short, which I don't believe we shall, and if we do we can loan our bonds to the company, or loan them the money we get from the bonds. The contract calls for the division, and I say have it. When shall I see you in Washington?

Yours truly,

OAKES AMES.

H. S. McCOMB.

We stand about like this:

Bonds, first mortgage, received on 525 miles, at 16 m	$8,400,000
Bonds, first morgage, received on 15 miles, at 48 m	720,000
Bonds, first mortgage, received on 100 miles, at 48 m	4,800,000
	$13,920,000
Ten millions sold and to sell to pay our debts	10,000,000
	$3,920,000
Eighty per cent. dividend on 3,700,000 C. M. of A	3,000,000
	$920,000
Government bonds received this day	960,000
Due for transportation four hundred m., one half cash	200,000
	$2,080,000

In addition to this we can draw government bonds for two-thirds of the work done in advance of track, if we desire it.

"Oakes Ames' list of names as showed to day to me for Credit Mobilier: Blaine, of Maine, 3,000; Patterson, New Hampshire, 3,000; Wilson, Massachusetts, 2; Painter, reporter for Inquirer, 3; S. Colfax, Speaker, 2; Elliott, Massachusetts, 3; Dawes, Massachusetts, 2; Boutwell, Massachusetts, 2; Bingham and Garfield, Ohio; Scofield and Kelley, Pennsylvania; Fowler, Tennessee.

February 1, 1868."

Indorsed on letter sworn by McComb.

WASHINGTON, *February* 22, 1868.

DEAR SIR: Yours of the 21st is at hand; am glad to hear that you are getting along so well with Mr. West; hope you will bring it out all satisfactory, so that it will be so rich that we cannot help going into it. I return you the paper by mail that you ask for. You ask me if I will sell some of my Union Pacific Railroad stock. I will sell some of it at par Credit Mobilier of America. I don't care to sell. *I hear that Mr. Bates offered his at* $300. *but I don't want Bates to sell out. I think Grimes may sell a part of his at* $350. *I want that* $14,000 *increase of the Credit Mobilier to sell here. We want more friends in this Congress, and if a man will look into the law (and it is difficult to get them to do it unless they have an interest to do so), he cannot help being convinced that we should not be interfered with. Hope to see you here or at New York the* 11*th.*

Yours truly,

OAKES AMES.

H. S. McCOMB, Esq.

(*See Report Poland Com*, *pp.* 4, 5, 6, 7.)

On March 12, 1868, the following debate occurred in the House of Representatives on the Washburne Resolution (see Congressional Globe, vol. 66, p. 1861).

The next business lying over under the rules was House joint resolution No. 168, to regulate the tariff for freight and passengers on the Union and Central Pacific Railroads and their branches, introduced by Mr. Windom, January 20, 1868.

Mr. GARFIELD. I move to refer it to the Committee on the Post Office and Post Roads, and call the previous question.

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Mr. WASHBURNE, of Illinois. I hope the House will not second the previous question. Let us have a square vote and see who is in favor of this resolution.

Mr. DAWES. We had a square vote the other day.

Mr. WASHBURNE, of Illinois. And the gentleman was with the monopolists. [Laughter.] (See vote on Dawes' resolution, page 21.)

On seconding the previous question there were—ayes 52, nays 51.

Mr. WASHBURNE, of Illinois. I demand tellers.

Tellers were ordered; and the Chair appointed Messrs. Garfield and Woodward.

Mr. ALLISON. Let the joint resolution be reported in full.

The SPEAKER. The Clerk not expecting this business to be reached to-day, the joint resolution is not here; it is on the files at the Clerk's office.

Mr. GARFIELD. I think it is very proper, therefore, to have it referred.

Mr. WASHBURNE, of Illinois. It is a resolution that ought to be passed.

The House divided; and the tellers reported—ayes 42, nays 54.

So the previous question was not seconded.

The SPEAKER. The Clerk will now report the joint resolution.

It was read.

Mr. WASHBURNE, of Illinois, demanded the previous question.

Mr. VAN HORN moved to lay the resolution on the table.

Mr. HOOPER, of Massachusetts, called the yeas and nays; and they were ordered.

The vote on laying on the table stood—yeas 53, nays 70, not voting 66.

Among those voting to lay on the table were Messrs. Beck, Brooks, Dawes, Eliot, Hooper, Kelley, Scofield, and Twichell.

Among those against, Messrs. Allison, Blaine, Garfield, C. C. Washburn, and E. B. Washburne.

Among those not voting, Messrs. Ames, Bingham, Boutwell, Dodge, and James F. Wilson.

So the House refused to lay the bill on the table.

The SPEAKER. The morning hour has expired, and the bill goes to the Speaker's table."

March 20, 1868, (see Globe, vol. 66, p. 2029)—The resolution was again in order, and Mr. C. C. Washburn, of Wisconsin, addressed the House. The following are extracts from his remarks, as printed in Globe, vol. 69, pp. 297–98, Appendix:

"GRADE OF ROUTE.

"Mr. WASHBURN, of Wisconsin. There is great exaggeration about the difficulties attending the building of these Pacific railroads. If gentlemen want information I will give it to them. I will give the gentleman from Iowa (Mr. Dodge), the very able and distinguished engineer of the road, some of his own figures. I will refer to his report of 1868.

It was asserted in Congress in 1864, that there were miles of this road that would cost $500,000 per mile to build. Here is my friend's own report made in 1868. The table of grades shows upon the line from Omaha to the eastern line of California, a distance of one thousand six hundred and twenty-two and a half miles; of dead level ground, two hundred and seventy-two miles; from level to twenty feet per mile, six hundred and sixty-five miles; ranging from twenty feet to forty feet, three hundred and forty-three miles; from forty to sixty feet per mile, ninety six miles; from sixty to eighty feet per mile, eighty-one miles; from eighty to one hundred feet per mile, forty-five miles; from one hundred to one hundred and sixteen feet per mile, thirty-seven miles

Such are the grades of this Pacific road as determined by their own engineers. The almost impassable mountains of which "Pathfinders" and others give such marvellous accounts, when brought to the unerring test of the engineer's level, dwindle into insignificance. And I think I can safely assert here that there is no sixteen hundred miles of road running in any given direction in the United States that show such easy grades as from Omaha to the line of California. There was much difficulty in determining where the base of the Rocky Mountains was, but it was finally determined in the level valley of the Platte river at Crow Creek crossing, and from that point to the summit of the mountains the distance is only between thirty-one and thirty-two miles, although we give them a subsidy of $48,000 per mile for one hundred and fifty miles at this point of the road.

COST OF ROAD.

Now, sir, I have asserted that this road can nearly or quite be built with the government subsidy The first five hundred miles are nearly a dead level. I am

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assured by gentlemen who have traveled over the route that up to the base of the Rocky Mountains it is a dead level, so that the sleepers are laid down for miles and miles on the naked soil without any grading, only a ditch on each side.

There cannot be a shadow of doubt that your subsidy in bonds will nearly or quite build and equip the road, for this part of the line at least, with the vast grant of lands thrown in.

I have always said that this road could be built for the Government subsidies, and I reiterate that, provided it is built as other roads are built, by contracting with the lowest bidder. To make the road cost the stockholders no more than absolutely necessary, and at the same time to make it represent a nominal cost that would relieve the stockholders from the appearance of not putting in money of their own, and also to relieve them from the ten per cent. dividend proposition, they resort to a device unheard of before in this country.

CREDIT MOBILIER.

The stockholders in the Pacific road are few in number. They could easily have made a contract with themselves for the building of the road, without bids or advertisements of any kind. They could have agreed to have paid themselves one or two hundred thousand dollars per mile, and swelled the nominal cost to such a figure as to neutralize the ten per cent. proviso in regard to earnings. But would such a transaction have been regarded as an honest or legitimate and straightforward one, and binding on the Government? Clearly not. Would a transaction which amounts to precisely the same thing, arrived at in an indirect manner, be any more honorable and straightforward or binding on the Government? Instead of contracting for the construction of the road as all other roads have been built, what do they do? A, B, C, and D are the stockholders of the company. A, B, C, and D, under a charter from the State of Pennsylvania, organize themselves into a company called the *Credit Mobilier* of America. A, B, C, and D, stockholders, enter into a contract with the *Credit Mobilier* to build this road at fabulous prices, and the *Credit Mobilier* let out the contract at the lowest figure at which the road can be built making a clear profit of the difference between the price at which the contract is taken and the price actually paid to those who do the work, a sum I am assured that will not fall short of many, many million dollars. It will readily be seen from this that the company practically contracts with itself to build the road, and that the enormous figures they exhibit as representing the cost of the road are absolutely fictitious."

March 25, 1868 (see Globe, volume sixty-seven, pp. 2109, 2113), the resolution was again in order, and was debated at length, Mr. Price answering Mr. Washburne, and Messrs. Garfield, Scofield, and Dawes took part in the proceedings. Mr. Price moved to refer the resolution to the Pacific Railroad Committee, and demanded the previous question. The morning hour having expired, Mr. Garfield asked that the time be extended in order to reach a vote, which was done; but pending the previous question the House adjourned.

March 26, 1868 (see Globe, volume sixty-seven, p. 2129), the subject was resumed. Mr. Washburne, of Illinois, asked further time for debate, as there was no quorum. This was resisted, and Mr. Washburne moved a call of the House; and upon division there were—ayes 33, noes 55; no quorum voting. Tellers were ordered, and announced—ayes 40, noes 61. Mr. Washburne demanded the yeas and nays, and they were ordered; and on a motion for a call of the House there were—yeas 45, nays 86, not voting 58.

Among the yeas were Messrs. C. C. Washburn and E. B. Washburne.

Among the nays, Messrs. Allison, Ames, Bingham, Boutwell, Dawes, Dodge, Eliot, Hooper, Kelley, Scofield, Twichell, and James F. Wilson.

Among those not voting, Messrs. Blaine, Brooks, and Garfield.

The previous question was seconded, and on ordering the main question on referring the resolution, the yeas were 73, the nays 54, not voting 62.

Among the yeas were Messrs. Allison, Ames, Bingham, Boutwell, Dawes, Dodge, Eliot, Hooper, Kelley, Twichell, and James F. Wilson.

Among the nays, Mr. E. B. Washburne.

Among those not voting, Messrs. Blaine, Brooks, Garfield, and Scofield.

So the main question was ordered.

And thereupon the following proceedings occurred:

Mr. HOLMAN: "I rise to a privileged question. I make the request that under the twenty-ninth rule of the House the gentlemen who are interested in the result

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of this question may be permitted to withdraw their votes. If it be proper I make that point now."

The SPEAKER:

"THAT POINT CANNOT BE MADE

during a roll-call, as the gentleman from Indiana is aware."

Mr. HOLMAN: Must it be made before the roll-call?

The SPEAKER: "It must; it cannot be made while the roll-call continues, and the roll-call continues until the Chair announces the result. Otherwise there might be roll-calls within roll-calls, the yeas and nays being ordered on the questions arising under the point of order." *

The vote was then announced as above recorded.

The question recurred on the motion to refer to the Committee on the Pacific Railroad.

Mr. WASHBURNE, of Illinois, demanded the yeas and nays.

The yeas and nays were ordered.

Mr. WASHBURNE, of Illinois: "I ask that this vote shall be considered as a test vote on this question. Those in favor of the resolution will vote"——

Mr. PRICE: "I call the gentleman to order."

The SPEAKER: "Debate is not in order."

Mr. HOLMAN: "I now rise for the purpose of asking the Clerk to read the twenty-ninth rule of the House."

The Clerk read as follows:

"No member shall vote on any question in the event of which he is immediately and particularly interested, or in any case where he was not within the bar of the House when the question was put."

The question was taken; and it was decided in the affirmative—yeas 83, nays 49, not voting 57.

Among the yeas, Messrs. Ames, Bingham, Boutwell, Dawes, Dodge, Eliot, Hooper, Twichell, and James F. Wilson.

Among the nays, Messrs. Holman and C. C. and E. B. Washburne.

Not voting, Messrs. Blaine, Brooks, Garfield, and Scofield.

So the resolution was referred to the Committee on the Pacific Railroad, and Mr. Wilson, of Iowa, moved to reconsider and lay on the table; which was done."

The resolution having been thus referred, Mr. E. B. Washburne raised the question in another form (see Globe, vol. 67, p. 2133, of March 26, 1868):

UNION PACIFIC RAILROAD.

Mr. WASHBURNE, of Illinois: "I rise to a privileged question. I call up the motion submitted on the 26th of February by the gentleman from Wisconsin (Mr. Washburn) to reconsider the vote by which the letter of the Secretary of the Treasury relative to the Union Pacific Railroad was ordered to be printed.

I congratulate my friend from Iowa (Mr. Price) on his success in preventing my being heard this morning, by getting the previous question on his motion to commit the joint resolution to the Committee on the Pacific Railroad, of which he is chairman."

THE SLEEP THAT KNOWS NO WAKING.

Mr. WASHBURN, of Wisconsin: "Mr. Speaker, I was desirous at the close of the remarks of the chairman of the Pacific Railroad Committee [Mr. Price] and his colleague [Mr. Dodge] yesterday of making a few remarks in reply. But, sir, so determined were the friends of this great monopoly to stifle discussion that they resisted every appeal that I could make to allow me even that poor privilege. That I am now enabled to defy all attempts to silence discussion is in no degree due to the friends of these roads, but in spite of them. It is simply due to the fact that I had the foresight some time since to enter a motion to reconsider a vote upon a proposition connected with the Pacific Railroad. I entered that motion because I thought an occasion might arise such as has actually arisen here.

I stated that I had become satisfied when I offered the resolution that there would be great delay in reporting, even if the resolution did not sleep in the committee 'the sleep that knows no waking,' which I feared it would.

Now for the facts upon which I based that declaration; and I will leave the

* This ruling was reversed at the last session, in the case of Mr. Hooper voting on question affecting his interest as a stockholder, and in the case of members who voted to pay themselves for contesting elections. It is understood to be the ruling of which Ames boasted to McComb.

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House and the country to judge whether or not I had good reason to believe that the committee intended to let that bill sleep on, whether they were friendly or unfriendly to it. I introduced that bill as long ago as the 9th of December, and it was referred to the Pacific Railroad Committee. Nothing having been heard from it, and thinking that perhaps the committee would not be called for some time, or that there might be very considerable delay, I introduced on the 17th of February the joint resolution which was discussed yesterday. A motion was made to lay that joint resolution on the table. Who voted against laying it on the table? Certainly not my friend from Iowa."

Mr. PRICE: "Do me the justice to say that I did not vote the other way."

Mr. WASHBURN, of Wisconsin: "I will; I was going to say that. I will say that he was not found voting at all, from which I certainly had the right to infer that he was not particularly friendly to the joint resolution. There are three members of the committee who did not vote; I do not know why.

* * * * * *

The gentleman says in his speech that I ought to have known that the committee intended to report it, because he had told me so. Well, he did tell me that the committee intended to report something, and that they were considering the matter; and he said yesterday that the committee had instructed him to write to these different companies and find out what their earnings and expenses were and what they thought would be right.

A HAPPY SIMILE.

Now, if the committee are friendly to this proposition, it is most astonishing that they should wait until they could hear what the wishes of these railroad companies are. The calling on these companies to learn what should be done to protect the people sounds very like some fable I have read at some time. Now, my friend represents a State blessed with vast flocks of sheep, and, if I mistake not, a colleague of his in the last Congress was a great shepherd. Now, what would be thought of that former colleague, if, when his sheep appealed to him for protection against the wolves, whom they alleged were claiming more mutton than enough to satisfy their reasonable appetites, he should say to them, 'I have written to the wolves to know if they are not going it rather strong, and to ask if they could not suggest some measure by which you may be restricted in your forays upon my flocks?' It occurs to me that it will be about a parallel case to that of my friend from Iowa calling on those roads for protection; and, if I mistake not, I read in Æsop's Fables, when I was a boy, a fable very much resembling this"

Mr. Washburne, of Illinois, reviewed at length the legislation of 1864, quoting his own argument made when the bill of 1864 was pending, and showing under what circumstances it was passed and how the amendment of Mr. Holman relative to freights was voted down, and repeating his own speech of 1864 against the tenth section postponing the Government lien.

On the 22d of June, the House again resumed the consideration of this bill, and the gentleman from Iowa [Mr. Wilson] got on an amendment for a grant of land for the Burlington and Missouri River Railroad Company. A long discussion followed on many of the provisions of the bill, participated in by Mr. Sweat, of Maine, a member of the Pacific Railroad Committee, and by the gentleman from New York, [Mr. Pruyn,] who, though connected with the building of the road, was not satisfied with the bill, with that sense of honor which belongs to him, refused to vote, furnishing an example that might well be followed.

IMMENSE LAND GRANTS AND OTHER STARTLING PROVISIONS.

On the 24th of June (Congressional Globe, volume 53, page 3244), I moved to strike out the tenth section, which provided that the Union Pacific Railroad Company, the Central Pacific Railroad Company, and any other company authorized to participate in the construction of said road, might issue the first mortgage bonds of their respective railroad and telegraph lines to an amount not exceeding the amount of the bonds of the United States, authorized to be issued to said railroad companies respectively, and that the lien of United States bonds should be subordinated to that of the bonds of any or either of said companies which were thereby authorized to be issued by said railroad companies on their respective roads, property, or equipments; and which provided, further, that the fifth section of the original act should be further amended by striking out 'forty,' and inserting in lieu thereof 'on each and every section of not less than twenty.' And other startling provisions were in the bill doubling the amount of land, making a grant amounting to more than double

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the area of Great Britain and Ireland, as I have before said. Upon that amendment the yeas and nays were ordered, and that section, thus subordinating the security of the United States to that of these companies, was retained, and the amendment rejected by a vote of 38 to 81.

Yeas—Messrs. Ancona, Arnold, Bailey, John D. Baldwin, Boutwell, Cobb, Creswell, Dawson, Denison, Eden, Edgerton, Farnsworth, Hale, Harding, Harrington, Herrick, Holman, William Johnson, Orlando Kellogg, Kernan, Law, Marcy, McDowell, Morrison, Nelson, John O'Neil, Orth, Rogers, Edward , Scofield, Sloan, Spalding, Stiles, Thayer, Tracy, Opson, Elihu B. Washburne, and Joseph W. White—38.

Nays—Messrs. Allison, Ames, Anderson, Ashley, Baxter, Beaman, Blaine, Blair, Blow, Boyd, Brooks, Broomall, Ambrose W. Clark, Cole, Thomas T. Davis, Dawes, Deming, Dixon, Donnelly, Driggs, Eckley, Eldridge, Eliot, English, Finck, Gooch, Griswold, Benjamin G. Harris, Higby, Hotchkiss, Asahel W. Hubbard, John H. Hubbard, Hulbard, Julian, Kelley, Francis W. Kellogg, Knapp, Knox, Le Blond, Littlejohn, Long, Longyear, Marvin, McBride, McClurg, Samuel F. Miller, Morrill, Daniel Morris, James R. Morris, Amos Myers, Leonard Myers, Noble, Norton, Charles O'Neil, Perham, Pomeroy, Price, Samuel J. Randall, John H. Rice, James S. Rollins, Ross, Schenck, Scott, Shannon, Smithers, John B. Steele, William G. Steele, Stevens, Stuart, Sweat, Van Valkenburgh, Ward, William B. Washburn, Webster, Whaley, Wheeler, Williams, Wilson, Windom, Winfield, and Benjamin Wood—81. *Congressional Globe*, vol. 53, page 3244.

The previous question having been ordered and the bill having passed to its third reading, the gentleman from Indiana [Mr. Holman] called for the reading of the engrossed bill, which resulted in postponing its final passage until Monday, June 25. The bill was on that day brought before the House and was passed by a vote of 70 to 38; which vote is recorded in the Congressional Globe, volume fifty-three, page 3267, as follows:

Yeas—Messrs. Allison, Ames, Ashley, Augustus C. Baldwin, Beaman, Blaine, Blair, Blow, Brandegee, Brooks, William G. Brown, Ambrose W. Clark, Coffroth, Cole, Creswell, Thomas T. Davis, Dawes, Deming, Dixon, Donnelly, Eliot, English, Fenton, Garfield, Griswold, Hale, Higby, Hooper, Asahel, W. Hubbard, John H. Hubbard, Hulburd, Jenckes, Julian Kalbfleisch, Orlando Kellogg, Knox, Littlejohn, Loan, Longyear, Marvin, McBride, McClurg, Moorhead, Morrill, Morrison, Amos Myers, Noble, Odell, Charles O'Neill, Patterson, Perham, Pomeroy, Price, John H. Rice, Ross, Schenck, Shannon, Sloan, Smithers, John B. Steele, William G. Steele, Stevens, Stuart, Sweat, Thayer, Upson, Webster, Wilson, Windom, and Benjamin Wood—70.

Nays—Messrs. Ancona, Bailey, Bliss, Boutwell, Chandler, Dawson, Denison, Eden, Edgerton, Gooch, Grider, Harding, Harrington, Benjamin G. Harris, Holman, Philip Johnson, Kernan, Knapp, Law, Le Blond, Mallory, Marcy, McDowell, McKinney, John O'Neill, Orth, Radford, Robinson, Rogers, Edward H. Rollins, Scofield, Styles, Thomas, Elihu B. Washburne, William B. Washburn, Chilton A. White, Joseph W. White, and Fernando Wood—38.

The members of the present Congress who voted for the bill were as follows: Allison of Iowa, Ames of Massachusetts, Ashley of Ohio, Baldwin of Massachusetts, Beaman of Michigan, Blaine of Maine, Brooks of New York, Dawes of Massachusetts, Dixon of Rhode Island, Donnelly of Minnesota, Eliot of Massachusetts, Garfield of Ohio, Griswold of New York, Higby of California, Hooper of Massachusetts, Hubbard of Iowa, Jenckes of Rhode Island, Julian of Indiana, Loan of Missouri, Marvin of New York, McClurg of Missouri, Moorhead of Pennsylvania, O'Neill of Pennsylvania, Perham of Maine, Pomeroy of New York, Price of Iowa, Ross of Illinois, Schenck of Ohio, Stevens of Pennsylvania, Upson of Michigan, Wilson of Iowa, and Windom of Minnesota.

Those members of the present Congress who voted in the negative were as follows: Boutwell of Massachusetts, Chanler of New York, Holman of Indiana, Orth of Indiana, Scofield of Pennsylvania, Washburne of Illinois, Washburn of Massachusetts, and Fernando Wood of New York

THOUSANDS OF DOLLARS VOTED AWAY, AND CONGRESSMEN AFRAID TO PUT THEMSELVES ON RECORD.

The bill then went to the Senate and came back with amendments, upon which a Committee of Conference was ordered. On the 1st of July the Committee of Conference reported, bringing up such new matter as would, in my opinion, be in violation of every rule which governs Committees of Conference in legislative

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bodies. Gentlemen, by turning to the Globe, volume fifty-three, page 3480, will see that the new matter so introduced covers nearly a page of nonpareil. And this report, changing so materially the bill as acted upon by the House and Senate, was gagged through; the opponents of the measure were not permitted to have it printed and postponed so that they could see what it was. I struggled in vain for the printing of the report, and for its delay until the members of the House could have an opportunity of reading it; but the gentleman ftom Pennsylvania [Mr. Stevens] demanded the previous question, which was seconded and the main question ordered to be put; and it would seem incredible that in a matter of legislation involving interests so vast and pledging amounts of money so enormous, even the yeas and nays were refused--that even tellers were refused. I read from the proceedings as reported in the Globe, volume fifty-three, page 3481:

"Mr. WASHBURNE, of Illinois, demanded the yeas and nays; on agreeing to the report; and tellers upon the yeas and nays.

Tellers were not ordered, and the yeas and nays were not ordered

Mr. WASHBURNE, of Illinois, demanded tellers on agreeing to the report.

Tellers were not ordered.

The report was agreed to."

Thus ends the story of the action of the House touching this extraordinary legislation, which will go into the history of the country.

Mr. WASHBURNE, of Illinois: "Let the country understand that the Sioux City Branch, instead of running toward the Pacific ocean, runs to the east in the State of Iowa, and is twenty-five miles further from the Pacific ocean when it gets south than it was when it started. These were the lands that I referred to * * *

Mr. WASHBURNE, of Illinois: "The gentleman from New York [Mr. Bailey] does not desire to speak now. I therefore move to lay the motion to reconsider on the table

The motion was agreed to."

On May 12, 1868 (see Globe, vol. 67, p. 2421), the committee reported a substitute for the resolution, adding to the original a proviso that it should not take effect until the road should be both completed (they are not yet held by the Government to have been completed in 1873) and limiting the discretion of the board so that they could not reduce charges below eight cents per mile for freight and 6 cents per mile for passengers.

A GREAT BARGAIN FOR THE MONOPOLIES AT THE PEOPLE'S COST.

Mr. Upson objected to this proviso, and Mr. Van Wyck of New York, and Mr. Johnson of California made speeches against it, in which they said:

Mr. VAN WYCK: "Now, what do we see from the company's report? That a road eleven hundred miles in length, by their own report, is to be built, which will cost, with all their fabulous prices for construction, $82,000,000. That is the cost according to their report. And then they show what they have to build this road with. They have of the United States bonds, $29,000,000; of first mortgage bonds, $29,000,000; of capital stock paid in, $8,000,000; of land grants, fourteen millions eight hundred thousand acres, which at $1.50 per acre, amounts to $21,000,000, making in all $88,000,000.

Now, mark, they say the cost of eleven hundred miles is $82,000,000, and yet they have $88,000,000 to build it So they will have $6,000,000 more in their treasury when the road is completed than they have resources to build it. Of that $88,000,000, $8,00 ,000 is money which they have put in their hands for building the road; so that when it is finished they will have paid out, according to their own figures, only $2,000,000 to build it.

But this road does not cost $82,000,000. These gentlemen have made contracts with themselves, whereby they pay double the amount to build the road that it ought to cost. They have contracted to build it for the first five hundred miles at $50,000 per mile; and the government commissioners, who certainly are not unfriendly to these parties, in speaking of this matter, dated July 8, 1865, say:

'In October, 1864, when we assumed the duties of our appointment, we found that in the months of August and September previous a contract had been arranged and consummated by the executive committee, in which are vested the powers of the board when not in session, for the construction and equipment of the first one hundred miles of the road west of the Missouri river at the rate of $50,000 per mile, payable $5,000 per mile in the stock of the company, and the balance in the currency bonds of the government and the securities of the company. From the first the contract price appeared to us to be very high. At present, with the

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probable decline in the cost of labor and materials, and advance in the value of government bonds, it seems extravagant.'

Another commissioner reports, on the 26th of August, 1865, that the balance of the five hundred miles could be built at a small cost compared with the rate at which the first one hundred miles were contracted. And yet $50,000 per mile has been paid for building the road, which could not have cost over $25,000.

The eastern division, a more expensive road, cost less than $30,000 to build it. The Atchison branch has cost less than that.

CREDIT MOBILIER—A RING WITHIN THE PACIFIC RAILROAD.

These men, then, do not go outside of their own corporation to make contracts. They have created a Credit Mobilier. They have created a ring inside the corporation. Look. In 1864 there were one hundred and twenty five stockholders in this Pacific Railroad, holding two thousand shares of stock. In January, 1866, there were one hundred and twenty-three stockholders, holding twenty-eight thousand shares of stock. In the report which these gentlemen were required to make they named the stockholders and the amount of stock held. In the last report the number of stockholders had dwindled down to fifty-three, and they do not state the number of shares they own. Only fifty-three stockholders, a year and a half ago, owning a road representing $100,000,000 of capital! It takes twenty of these stockholders to make a directory, so that you have thirty outside. Sir, they have demonstrated that the obstacles in the way of the construction of this road have passed away. The company is now drawing a triple subsidy of $96,000 a mile for building what was said to be the most 'difficult and mountainous' part of the road. From the foot of the Black Hills, which are claimed to be the base of the Rocky Mountains, they run about forty-five miles and then strike the Laramie plain and run one hundred miles almost on a level, and on these one hundred and fifty miles they are receiving the triple subsidy."

Mr. JOHNSON, of California: "The Central Pacific division of that great road is now charging the people of the State of California fifteen cents a mile for freight, and ten cents a mile for passengers."

Mr. WASHBURNE, of Illinois: "In gold?"

Mr. JOHNSON, of California: "In gold. The net proceeds of that road, which is about ninety miles in length, were last year nearly one million and a half dollars. In a very short time that road, like a mighty vortex, will drink up all the wealth of our new and growing State. Now, Mr. Speaker, if there is any honest intention on the part of this House to protect our people against this oppression, I ask that the demand for the previous question be voted down, and allow this amendment to be made, restricting this corporation, and not leaving them the latitude of the four winds."

Mr. CLARKE, of Kansas: "At the moment the merchants of the city of Topeka are transporting their freight by oxen and horse teams to the city of Leavenworth—a distance of forty-five or fifty miles—instead of sending it by railroad"——

END OF A BRAVE CONTEST FOR THE RIGHT.

After further debate the following votes were taken, May 12, 1868. (See Globe, vol. 67, pp. 2428–29.)

On Mr. Farnsworth's motion to recommit, the yeas were 62, nays 59, not voting 58.

Among the yeas, Messrs. Ames, Brooks, Dodge, Eliot, Hooper, Kelly, Scofield, and Twichell.

Among the nays, Messrs. Allison, Blaine, Butler, Garfield, E. B. Washburne, and James F. Wilson.

Among those not voting, Messrs. Bingham, Boutwell, Dawes and C. C. Washburne.

The next question was on motion to amend the substitute by striking out the provisio, on which the yeas were 75, nays 48, not voting 66.

Among the yeas were Messrs. Holman and E. B. Washburne.

Among the nays, Messrs. Allison, Ames, Brooks, Butler, Dodge, Eliot, Garfield, Hooper, Scofield, Twichell, and James F. Wilson.

Among those not voting, Messrs. Bingham, Blaine, Boutwell, Dawes and Kelley.

And thereupon a further amendment was adopted and the substitute for the resolution passed without division.

It went to the Senate, was referred to the Committee on the Pacific Railroad, and there it "slept the sleep that knows no waking."

Thus was begun, prosecuted, and ended one of the bravest contests ever made for the rights of the people.

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A PROPOSITION.

On November first, James W. Davis submitted a proposition to the Directors of the Union Pacific Railroad, to construct the remainder of the road from the point where the Oakes Ames contract left off, to the junction of the Central Pacific. This proposition was accepted subject to the approval of all the stockholders, November 1, 1868. In regard to this contract the Wilson Committee, to investigate the Credit Mobilier and Union Pacific Railroad, in their report, say (see Report No. 78, H. R., 42d Congress, Third Session, pages 13 and 14):

"This was a contract made with J. W. Davis, a man of little, if any, pecuniary ability (and not expected to perform the contract), for the construction of that part of the road beginning at the western terminus of the 'Ames contract' and extending to the western terminus of the road, a distance of one hundred and twenty-five and twenty-three one hundredths miles. It was upon the same terms as the Ames contract, and was assigned to the same Board of Trustees.

"Under it the remainder of the road was constructed, and from a balance-sheet taken from the books of the railroad company, it appears that the cost to the railroad company was $23,431,768 10

And from a balance-sheet taken from the books of the trustees, that the cost to the contractor was 15,629,633 62

Your Committee present the following summary of the cost of this road to the Railroad Co. and to the contractors, as appears by the books:

COST TO THE RAILROAD COMPANY.

Hoxie contract	$12,974,416 24
Ames contract	57,140,102 94
Davis contract	23,431,768 10
Total	$93,546,287 28

COST TO THE CONTRACTORS.

Hoxie contract	$7,806,183 33	
Ames contract	27,285,141 99	
Davis contract	15,629,633 62	
		50,720,958 94
		$42,825,328 34
To this should be added amount paid Credit Mobilier, on account of 58 miles		1,104,000 00
Total profit on construction		$43,925,328 34

"The balance-sheets, from which the foregoing results have been obtained, were made out by Mr. Crane and Mr. Ham, accountants familiar with the books and with most of the transactions. Your committee have earnestly endeavored to get the exact cost of the road, to the company and to the contractors, and if they have failed it is because those who should know and have had the opportunity to inform the committee have failed to give the information. The books have been kept in such a way, and the transactions have been of such a character, as that their true nature has been very much disguised."

JIM FISK AND JAY GOULD ANXIOUS TO JOIN THE CREDIT MOBILIER RING.

It was well known to capitalists and speculators in all the great monetary centres of the country, that the men interested in the Union Pacific Railroad were making enormous profits by building the same themselves, through the medium of the Credit Mobilier of America. It appears that the notorious Jay Gould and Jim Fisk had by some means or other obtained a sort of interest in the Union Pacific Railroad, and they wanted to force themselves into the Oakes Ames Ring, which was making so much money through the Credit Mobilier. Accordingly they began proceedings in the New York courts, and Judge Barnard issued various injunctions and restraining orders, and orders to compel the Union Pacific Railroad Company, and the Credit Mobilier of America to state accounts, and the Oakes Ames Ring was soon in a very bad way, and were dreadfully frightened. As has already been shown in this compilation of the record, facts connected with this Credit Mobilier scandal, Ames had distributed the stock of the Credit Mobilier where it would do the most good, to influential members of the Republican ma-

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jority in Congress. Therefore it was very natural that he, in this emergency, when Jay Gould and Fisk, with Judge Barnard, were pushing them to the wall, should come to Congress for relief.

We quote again from the Congressional Globe:

March 15, 1869.

Mr. BINGHAM: "I ask unanimous consent to introduce a joint resolution for the protection of the interests of the United States in the Union Pacific Railroad Company and for other purposes."

The joint resolution was read, as follows:

JOINT RESOLUTION FOR THE PROTECTION OF THE INTERESTS OF THE UNITED STATES IN THE UNION PACIFIC RAILROAD COMPANY AND FOR OTHER PURPOSES.

Whereas, The proceedings of the regular annual meeting of the stockholders of the Union Pacific Railroad Company, convened in the city of New York on the 10th day of March, 1869, were interrupted by an *ex-parte* injunction, issued by a Justice of the Supreme Court of the State of New York, before the business of said meeting was concluded and before the time for closing its proceedings; and

Whereas The Government of the United States is largely interested in the proper management of the affairs of said company, and in a strict observance and proper administration of the laws organizing and governing the same; and

WHEREAS, Important legal questions may arise as to the validity of the acts of the meeting interrupted as aforesaid; therefore

BE IT RESOLVED, *By the Senate and House of Representatives of the United States in Congress Assembled*, That the said meeting of the stockholders of said company mentioned in the preamble to this resolution, be and the same is hereby declared to have been lawfully convened and organized, and that the resolution adjourning the same, to meet in the city of Washington, on Thursday, the 10th day of March, 1869, and fixing the city of Boston as the place for holding the annual meeting of the stockholders, for the year 1870, be and the same is hereby declared valid, and of full legal force; and the said stockholders who convene in said adjourned meeting, in the city of Washington as aforesaid, or in any adjourned meeting thereto to be held within one month at Washington or Boston, are hereby required to elect a Board of Directors for said company for this year, and after their successors shall have been elected and qualified, they may then transact such other business as they are required to do, or may lawfully do; and every stockholder at such meeting shall be entitled in person, or by proxy, to cast one vote for each share of stock lawfully held by him and standing in his name on the books of the company on the first day of March, 1869; and in all proxies given to be used at the said meeting of the tenth of March, 1869, which were given on or since the first day of September, 1868, and none other shall be good and valid at the adjourned meeting, to be held on the 18th day of March, 1869, and at any adjourned meeting thereof, and may be used thereat with the same effect as they could have been used at the meeting of the 10th of March, 1869; but nothing in this resolution shall be construed to effect or limit the right of any stockholder who has given any proxy to vote his stock in person, or his right to revoke his proxy, by giving one of a later date, or otherwise; but the right of any stockholder then to vote for himself, or to so revoke his proxy previously given, is hereby fully confirmed and established,

Provided further, That on the election of the directors herein provided for, the term of office of all persons then acting or claiming the right to act as directors of the said company, except the government directors, shall cease and terminate,

And provided further, That the Board of Directors of the Union Pacific Railroad Company shall have power, whenever in their judgment the interests of the company or of the government of the United States may require it, to remove the general office of said company and all the books, papers, and effects from the city of New York to either of the cities of Boston, Philadelphia, Cincinnati, Chicago, St. Louis, Council Bluffs, or Omaha, and in no manner shall a free exercise of said judgment to remove be restrained;

Provided further, That no court, other than the United States Circuit or District Court, shall have power or jurisdiction to enjoin any of the acts in this resolution, authorize or appoint a receiver for or on account of any of the rights, property, assets, and effects or interests of the said Union Pacific Railroad Company in any case in which the defense rests on the constitution or any law or treaty of the United states; and all actions in any court, so far as in conflict with this clause of the resolution, shall, upon the application of the said Union Pacific Railroad Company or any person interested therein as a bona fide stockholder, be removed to the United

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States District or Circuit Court having jurisdiction in the district within which said action or actions may arise, which said application to remove may be made directly to said United States District or Circuit Court, and the joining of other parties to the said company shall not affect the right of said company to remove such application or its right to have such cause or causes removed as aforesaid;

"*And provided further*, That the annual meeting of the stockholders of the said Union Pacific Railroad Company, after the meeting provided for, as aforesaid, to be held in the City of Boston in the year 1870, may be held either in the cities of Boston, Baltimore, Philadelphia, Washington, Cincinnati, Chicago, Omaha, or St. Louis, as may be determined by the said stockholders at the next preceding annual meeting."

CONGRESS RESCUES THE U. P. ROAD FROM FISK & GOULD.

A more effectual preventative against interference by Jim Fisk, Jay Gould, or any other designing persons through the State Courts of New York, or any other State, could not have been devised than the above quoted joint resolution, prepared and introduced by Mr. Bingham, who was then Chairman of the Judiciary Committee of the House of Representatives. It will be observed that this joint resolution, among other things, legalized the proceedings of the director's meeting at New York, which had been broken up by an injunction issued by Judge Barnard, restraining the officers and directors of the Union Pacific Railroad Company from holding such a meeting. It will also be observed that it was provided that an adjourned meeting of the directors might be held in the City of Washington, which, under the charter of the railroad company, would not have been possible without this special legislation. It will also be further observed that this resolution in effect placed the Union Pacific Railroad corporation on wheels, and allowed it to be run about the country as Oakes Ames and the principal managers of it might deem expedient, in order to avoid legal process issued on the petition of bona fide stockholders whom they were defrauding through the Credit Mobilier of America. At this very time the officers of the Union Pacific Railroad Company and of the Credit Mobilier of America were hiding in out-of-the-way places to avoid legal process. The books of these two companies had been in defiance of the restraining order of the Supreme Court of the State of New York, abstracted from the company's offices and carried first to New Jersey, thence to Philadelphia, and subsequently to the City of Boston. Moreover, as was proven in the two investigations ordered by the House of Representatives at the third session of the Forty-second Congress, some of the most important books of the Credit Mobilier Company were lost or pretended to be lost during the time they were being carried about the country, and to this day the officers of this company aver that they do not know of their whereabouts; and still further during this time $500,000 belonging to the Union Pacific Railroad Company, part of them being the bonds endorsed by the government, and the balance the first mortgage bonds of the railroad company, were lost and have never been accounted for, although it has been shown by competent testimony that the interest on a portion of these bonds is regularly drawn by some of the officers of the railroad company.

When the resolution above quoted had been read in the house on March 15, 1869—

Mr. AXTELL of California said: "I object to the consideration of the joint resolution."

Mr BINGHAM: "I move to suspend the rules in order to introduce the joint resolution."

Mr. WOOD: "Mr. Speaker, I doubt whether the House understands this resolution."

Mr. BINGHAM: "I object to debate."

The question being put on suspending the rules there were—Ayes 90; nays 47.

Mr. BINGHAM: "I call for tellers."

Tellers were ordered, and Messrs. Bingham and Axtell were appointed.

The House divided and the tellers reported—Ayes 96; nays 28.

So, two-thirds having voted in favor thereof, the rules were suspended.

The joint resolution (H. R. No. 6), for the protection of the interests of the United States in the Union Pacific Railroad, and for other purposes, was read a first and second time, was ordered to be engrossed and read a third time, and being engrossed it was accordingly read a third time.

Mr. BINGHAM: "I demand the previous question on the passage."

Mr. WOOD: "Is it now in order to refer the resolution to the Committee on the Pacific Railroads?",

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The SPEAKER: "It is not If the previous question is not sustained, the Chair will then entertain that motion."

The previous question was seconded and the main question ordered.

Mr. WOOD: I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken and decided in the affirmative. Yeas 99, nays 32; not voting 66.

Among those who voted in the affirmative, were, Ames, Banks, Bingham, Dawes, Garfield, Kelly, and Scofield.

THE CREDIT MOBILIER IN THE SENATE.

The resolution having passed the House, it went to the Senate. When it came up there for debate, Mr. Stewart of Nevada, in the course of a remarkable speech, said:

"Mr. PRESIDENT: This extraordinary measure must have emanated from some extraordinary set of facts. Here is a great corporation, in the first place, asking Congress to place it on wheels – to send it all over the country. In the next place, it asks Congress to exempt it fro n the jurisdiction of the courts, and confer upon it special privileges. If there is anything clear in law, if there is any rule of law that has been determined since the foundation of the Government, it is that a corporation, no matter whether the Government holds stock in it or not, is subject to all the incidents of every other corporation. It was claimed on the part of the United States Bank, that because the Government of the United States was the largest stockholder, it could be taken out of the State courts; that it could be endowed with certain extraordinary privileges; but Chief Justice Marshall took hold of that question and laid down the law in a manner that has never been doubted until now.

By this resolution the House of Representatives proposes to endow the Union Pacific Railroad with rights above all the laws of the States, and not only that, but to allow it to travel all over the United States; to give it a roving mission and to liberate it from the jurisdiction of the State courts. If the Government of the United States can establish such a corporation for one purpose they can for all purposes, and you have no United States at all. The power exists in the general government to carry on everything by one corporation if this resolution be constitutional.

EXTRAORDINARY LEGISLATION FOR THE BENEFIT OF THE U. P. ROAD.

Why are we called upon for this extraordinary legislation? Since the formation of the Union Pacific Railroad Company we have given it some legislation in this direction. We passed a joint resolution when they had another election up. The Union Pacific Road got into difficulty in 1867, and they came to Congress for relief and Congress passed this resolution.

"*Be it resolved etc.*. That the time of holding the annual meeting of the stockholders of the Union Pacific Railroad Company for the choice of directors is hereby changed from the first Wednesday in October to the first Wednesday after the fourth day of March, and the stockholders are authorized to determine the place at which such annual meeting shall be held at the last annual meeting of the stockholders' meeting preceding such annual meeting: *Provided* the same shall be held in either of the cities of New York, Washington, Boston, Baltimore Philadelphia, Cincinnati, Chicago, or St. Louis; and provided further that on the election of directors herein provided for to take place in March, A. D. 1868, the terms of office of all persons then acting or claiming the right to act as directors of said company shall cease and terminate."

(This is the same resolution that Mr Dawes passed through the House of Representative, 16th of December, 1867, the proceedings in regard to which have heretofore been given).

Mr. Stewart further called attention to a remarkable act of Congress which was passed in July, 1868, at the solicitation of the Pacific Railroad Ring. This was the time their first litigation began in New York.

Mr STEWART said: "They got into law suits and then came to Congress in July, 1868, and said somebody was going to eat them up directly unless they could get a law passed to take them out of these horrid State courts; and in the last days of the session of Congress did actually pass the following very remarkable law, the constitutionality of which is very doubtful:

"That any corporation or member thereof, other than a banking corporation organized under a law of the United States and against which a suit at law or equity

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has been or may be commenced in any court other than a Circuit or District Court of the United States for any liability or alleged liability of such corporation, or any member thereof, as such member, may have such suit removed from the court in which it may be pending to the Circuit or District Court of the United States, upon filing a petition therefor, certifying by oath either before or after issue joined, stating that they have a defense arising under or by virtue of the Constitution of the United States, or of any treaty or law of the United States, and giving good and sufficient surety for entering in any such court. On the first day of its session copies of all proceedings, pleadings, depositions, testimony and other proceedings in said suit, and doing such other proper acts as are required to be done by the act entitled 'An act for the removal of causes in certain cases from State courts, approved July 27, 1866,' and it would be the duty of the Court to accept the surety and proceed no further in the suit; and the said copies being entered, as aforesaid, in such court of the United States, the suit shall then proceed in the same manner as if it had been brought there by original process; and all the provisions of said act in this section referred to respecting any bill, attachment, delay, injunction, or other restraining process, and respecting any bonds of indemnity of other allegations given upon the issue or granting of any attachment, injunction or other restraining process, shall apply with like force and effect in all respects to similar matters, process or things, in the suits for the removal of each, which the act provides."

A REMARKABLE DOCUMENT.

This was passed at the instance and for the benefit of the Union Pacific Railroad Company. Now, why are they in these difficulties? I have in my hand a paper which will illustrate the beginning of this trouble. As they are calling upon Congress for this extraordinary legislation, I desire to have this paper read, and I wish to call special attention to this document, for I do believe that in this controversy the dignity and honor of Congress and of the country are more or less involved. I ask for the reading of the document, which I send to the Chair."

This document, which was read by the clerk at Mr. Stewart's instance, was the agreement made on the 16th day of October, 1867, between the seven trustees under the Oakes Ames contract, by which these men, who held a majority of the stock of the Union Pacific Railroad, pledged themselves to protect their mutual interests in this contract by voting at each annual stockholders' meeting the directors who were then holding office, in order that there might be no interference with the Oakes Ames contract, the profits of which were to be shared pro rata with these seven trustees, according to their respective interests.

After the reading of this document Mr. Stewart went on to say, that he had also a paper purporting to be a bill in equity, filed by James Fisk against the officers of the Union Pacific Railroad, setting forth that there is a conspiracy between a certain body of people styled the Credit Mobilier, a ring consisting of the members of the Union Pacific Railroad Company; that these men have reaped immense profits from this arrangement, to the injury of other stockholders who were not in the ring; that some thirty millions of dollars have been obtained and divided in this way.

In commenting upon this Mr. Stewart said:

"*I have heard it stated that leading members of the Committee on Pacific Railroads in the House were not only in the Union Pacific, but in this identical Credit Mobilier, and were the recipients of enormous dividends, and I have not heard it denied. It is further stated, that for that very reason the thing would never be investigated;* and it is said you want to take it out of the courts, you want to stifle investigation everywhere. Are we prepared to place Congress in that situation, if there is anything wrong about this matter. (See Congressional Globe, first session, Forty-third , Forty-first Congress, pp. 303, 305.)

MORE REVELATIONS.

The next day, when the resolution was again under consideration, Mr. Stewart said that he had called attention to some singular and rather remarkable paper connected with the Credit Mobilier, and a memorandum of agreement with certain stockholders of the Union Pacific Railroad Company. Since then he had looked farther into the subject, and he had some more revelations to make to the Senate. He then read the title of Mr. McComb's bill in equity against the Credit Mobilier, and also some extracts from the body of the bill itself. He called particular attention to the fact that Ames was charged with having 343 shares as a secret trust

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for persons whose names do not appear on the books of the company, and the allegation that he was distributing the dividends among unknown parties. Thus it will be seen that the scandal of the Credit Mobilier and Oakes Ames' distribution of the stock of the same among members of Congress was, as far back as 1869, gravely discussed in Congress. This suit of McComb against the Credit Mobilier, which Stewart spoke of, was pending in the Supreme Court of Pennsylvania. It lingered there, only little progress being made until 1872, when a Master of Chancery was appointed to take testimony. Mr. McComb appeared before the Master and was examined at great length, and gave in detail the history of the operation of the Credit Mobilier in building the Union Pacific Railroad. Then it was that the famous letters of Oakes Ames were produced by McComb, and made a part of his evidence before the Master in Chancery. On the third day of September, 1872, the *New York Sun* published in full the testimony of McComb, including the letters of Ames, which have been set out in the preceding pages of this record. This publication was made upon the eve of the election in the State of Maine. The name of James G. Blaine headed the list of Credit Mobilier Congressmen, which was written upon the back of one of the Ames' letters to Mr. McComb, with the number of shares allotted to each. Ten days later, on September 5th, the testimony of McComb having been copied from the *New York Sun* by the *Boston Herald*, Mr. James G. Blaine published the following card:

HOW THE CHRISTIAN STATESMEN DENIED.

To the Editor of the Kennebeck Journal:

"The sensational story in the Boston *Herald* of yesterday, in regard to my ownership in the Credit Mobilier of the Union Pacific Railroad, in connection with Secretary Boutwell, Senator Wilson, Messrs. Dawes, Bingham, Garfield and others of the House of Representatives, is a mere campaign *canard* throughout, baseless and groundless. I never owned a dollar in the company in my life, either directly or indirectly, through myself or through another. I depart in this instance from my usual practice of suffering campaign slanders to pass without notice, because this particular falsehood is circumstantially narrated, and is, as I understand, to be largely distributed over the Third District, in order to influence the vote on Monday.

JAMES G. BLAINE."

The next Credit Mobilier Congressman to come to the front was Henry L. Dawes, who presented the following:

"PITTSFIELD, MASS., Sept. 11, 1872.

MY DEAR ROGERS—I thank you for denouncing as a false libel the charge in the New York *Sun*. So far as I am concerned, neither Oakes Ames or any other man, dead or alive, ever gave me, directly or indirectly, a penny of the stock of the Credit Mobilier, or any other corporation in the world. I never owned a dollar of any stock or any property of any kind that I did not pay the full value of—that my own money or my own labor did not earn.

Very truly yours,

HENRY L. DAWES."

Next came Henry Wilson:

"NATICK, Sept. 12, 1872.

To the Editor of the Troy Whig:

I send you a speech of General Hawley. His statement is correct. But I do not wish to write any more letters. And I do not intend to do so, if I am charged with every crime. In 1855 I made one speculation. I bought a house and lot in my town for one hundred and fifty dollars, and sold it for four hundred dollars

HENRY WILSON."

General Hawley's speech, which Mr. Wilson referred to in the above card, contains the following:

"Henry Wilson has been seventeen years in the Senate, and I defy the world to prove that he is worth ten thousand dollars to-day. I defy the world to prove that he ever took a dollar's interest in any measure which has been before Congress. I defy the whole world to prove that he has a cent interest in the Northern Pacific, Central Pacific, or Southern Pacific, or any other stock, bonds or contracts of any sort. I tell his slanderers to go to Washington and go among the lobby there and canvass with the most notorious gamblers and they will find that among the men that cannot be bought will be the name of Henry Wilson."

Wm. D. Kelley, of Pa., denied his connection with the Credit Mobilier, as follows:

"But let who may be responsible for the story, it is false. I have never owned a

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share of stock in the Credit Mobilier of America, nor has any member of my family either directly or by the intervention of a trustee or agent, nor have I nor did I ever own a share of stock of the Union Pacific Railroad, nor is there any held by anybody for my use or that of any member of my family, or for my heirs and assigns; nor have I or they ever owned a Pacific Railroad bond except one one thousand dollars income bond which was purchased for me in open market some months since by Henry C. Townsend, Esq., my counsel, at my request, with funds he had collected for me. I had hoped to be able to keep this ten per cent. investment long enough to enable me to collect at least one year's interest on it, but was some time since constrained to request Mr. Townsend to sell it, which would not have been necessary had there been any truth in that portion of Mr. McComb's testimony which refers to me. Trusting, my dear friend, that you will give this such publicity as it may in your judgment deserve, I remain,

Yours, very truly,

WM. D. KELLEY.

AMES, GARFIELD & CO.

To THOS. W. PRICE, Esq.

Oakes Ames also published a card to his constituents in which he denied that he had done anything wrong, but he was very careful in the statement he made in regard to his distribution of stock to Congressmen. He did not deny that the list of names given by McComb was correct, but contented himself with saying that Mr. McComb had no authority from him to make any such list.

General Garfield was more careful than the majority of his Credit Mobilier Associates. He published no card, but authorized a Washington correspondent to telegraph the following:

"General Garfield, who has just arrived here from the Indian Country, has to-day had the first opportunity of seeing the charges connecting his name with receiving shares of the Credit Mobilier from Oakes Ames. He authorizes the statement that he never subscribed for a single share of that stock, and that he never received nor saw a share of it.

G. F. T.

When the company was first formed, George Francis Train, active in it, came to Washington and exhibited a list of subscribers of leading capitalists and some members of Congress to the stock of the company, described it as a popular one, thousand dollars each. Train asked General Garfield to subscribe on one or two occasions, but each time he declined. Subsequently he was again informed that the list was nearly completed and that a chance remained for him to subscribe, when he again declined, and to this day has not subscribed nor received any share, stock, or bond of the company.

Now let us see what the Committee of the House of Representatives, appointed on the motion of James G. Blaine, unanimously reported in regard to this gentleman, Mr. James G. Blaine, of Maine:

MR. JAMES G. BLAINE, OF MAINE.

"Among those who have in the public press been charged with improper participation in Credit Mobilier stock is the present Speaker, Mr. Blaine, who moved the resolution for this investigation. The committee have, therefore, taken evidence in regard to him. They find from it that Ames had conversations with Mr. Blaine in regard to taking ten shares of the stock and recommending it as a good investment. Upon consideration, Mr. Blaine concluded not to take the stock, and never did take it, and never paid or received anything on account of it; and Mr. Blaine never had an interest, direct or indirect, in Credit Mobilier stock or stock of the Union Pacific Railroad Company."

MR. HENRY L. DAWES, OF MASSACHUSETTS:

"Mr. Dawes had, prior to December, 1867, made some small investments in railroad bonds, through Mr. Ames In December, 1867, Mr. Dawes applied to Mr. Ames to purchase a thousand dollar bond of the Cedar Rapid Road in Iowa. Mr. Ames informed him that he had sold them all, but that he would let him have for his thousand dollars ten shares of the Credit Mobilier stock, which he thought was better than the railroad bonds. In answer to inquiry by Mr. Dawes, Mr. Ames said the Credit Mobilier Company had the contract to build the Union Pacific Railroad, and thought they would make money out of it, and that it would be a good

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thing; that he would guarantee that he should get ten per cent. on his money, and that if at any time Mr. Dawes did not want the stock he would pay back his money, with ten per cent interest. Mr. Dawes made some further inquiry in relation to the stock of Mr. John B. Alley, who said he thought it was good stock, but not as good as Mr. Ames thought, but that Mr. Ames' guarantee would make it a perfectly safe investment.

Mr. Dawes thereupon concluded to purchase the ten shares, and on the 11th of January he paid Mr. Ames eight hundred dollars, and in a few days thereafter the balance of the price of this stock at par and interest from July previous. In June, 1868, Mr. Dawes received a dividend of sixty per cent. in money on his stock, and of it paid to Mr Dawes four hundred dollars and applied the balance of two hundred dollars upon accounts between them. This four hundred dollars was all that was paid over to Mr. Dawes as a dividend upon his stock. At some time prior to December, 1868, Mr. Dawes was informed that a suit had been commenced in the courts of Pennsylvania by former owners of the charter of the Credit Mobilier, claiming that those then claiming and using it had no right to do so. Mr. Dawes thereupon informed Mr. Ames that as there was a litigation about the matter he did not desire to keep the stock. On the 9th of December, 1868, Mr. Ames and Mr. Dawes had a settlement of their matters, in which Mr. Dawes was allowed for the money he paid for the stock, with ten per cent. interest upon it, and accounted to Mr. Ames for the four hundred dollars he had received as a dividend. Mr. Dawes received no other benefit under the contract than to get ten per cent. upon his money, and after the settlement had no further interest in the stock."

MR. GLENN W. SCOFIELD, OF PENNSYLVANIA.

"In 1868 Mr. Scofield purchased some Cedar Rapid bonds of Mr. Ames, and in that year they had conversations about Mr. Scofield taking stock in the Credit Mobilier Company, but no contract was consummated. In December, 1867, Mr. Scofield applied to Mr. Ames to purchase more Cedar Rapid bonds, when Mr. Ames suggested he should purchase some Credit Mobilier stock, and explained generally that it was a contracting company to build the Union Pacific Railroad; that it was a Pennsylvania corporation, and he would like to have some Pennsylvanians in it; that he would sell it to him at par and interest, and that he would guarantee he should get eight per cent., if Mr. Scofield would give him half of the dividends above that. Mr. Scofield said he thought he would take one thousand dollars of the stock; but before anything further was done, Mr. Scofield was called home by sickness in his family. On his return, the latter part of January, 1868, he spoke to Mr. Ames about the stock, when Mr. Ames said he thought it was all sold, but he would take his money and give him a receipt and get the stock for him if he could. Mr. Scofield thereupon paid Mr. Ames $1,041 and took his receipt therefor. Not long after Mr. Ames informed Mr. Scofield he could have his stock, but could not give him a certificate for it until he could get a larger certificate dividend. Mr. Scofield received the bond dividend at eighty per cent., which was payable January 3, 1868, taking a bond for $1,000 and paying Mr. Ames the difference. Mr. Ames received the sixty per cent. cash dividend on the stock in June, 1868, and paid over to Mr. Scofield $600, the amount of it.

Before the close of that session of Congress, which was toward the end of July, Mr. Scofield became, for some reason, disinclined to take the stock, and a settlement was made between them, by which Mr. Ames was to retain the Credit Mobilier stock, and Mr. Scofield took a thousand Union Pacific bond, and ten shares of the Union Pacific Railroad stock.

The precise basis of the settlement does not appear. Neither Mr. Ames nor Mr. Scofield having any full data in reference to it, Mr. Scofield thinks that he only received back his money and interest upon it, while Mr. Ames states that he thinks Mr. Scofield had ten shares of Union Pacific stock in addition. The committee do not deem it specially important to settle this difference of recollection. Since that settlement Mr. Scofield has had no interest in the Credit Mobilier stock and derived no benefit therefrom."

Mr. JOHN A. BINGHAM, of Ohio: "In December, 1867, Mr. Ames advised Mr. Bingham to invest in the stock of the Credit Mobilier, assuring him that it would return him his money with profitable dividends. Mr. Bingham agreed to take twenty shares, and about the first of January, 1868, paid to Mr. Ames the par value of the stock, for which Mr. Ames executed to him some receipt or agreement. Mr. Ames received all the dividends on the stock, whether in Union Pacific bonds or in stock or money. Some more delivered to Mr. Bingham, and some retained by Mr.

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Ames. This matter was not finally adjusted between them until February, 1872, when it was settled, Mr. Ames retaining the twenty shares of Credit Mobilier stock, and accounting to Mr. Bingham for such dividends upon it as Mr. Bingham had not already received. Mr. Bingham was treated as the real owner of the stock from the time of the agreement to taking it in December, 1867, to the settlement in February, 1872, and had the benefit of all the dividends upon it. Neither Mr. Ames nor Bingham had such records of their dealings as to be able to give the precise amount of those dividends."

Mr. WM. D. KELLY, of Pennsylvania: "The Committee find from the evidence that in the early part of the second session of the Fortieth Congress, and probably in December, 1867, Mr. Ames agreed with Mr. Kelly to sell him ten shares of Credit Mobilier stock at par, and interest from July 1, 1867. Mr. Kelly was not then prepared to pay for the stock, and Mr. Ames agreed to carry the stock for him until he could pay for it. On the third day of January, 1868, there was a dividend of 80 per cent. on Credit Mobilier stock in Union Pacific bonds. Mr. Ames received the bonds as the stock stood in his name, and sold them for ninety-seven per cent. of their face. In June, 1868, there was a cash dividend of sixty per cent., which Mr. Ames also received. The proceeds of the bonds sold, and the cash dividends received by Mr. Ames amounted to $1,047; so that, after paying for the stock, there was a balance of dividend due Mr. Kelly of $329.

On the 23d day of June, 1868, Mr. Ames gave Mr. Kelly a check for that sum on the Sergeant-at-Arms of House of Representatives, and Mr. Kelly received the money thereon. The Committee find that Mr. Kelly then understood that the money he thus received was a balance of dividends due him after paying for the stock.

All the subsequent dividends were either in Union Pacific stock or bond, and they were all received by Mr. Ames in September, 1868. Mr. Kelly received from Mr. Ames seven hundred and fifty dollars in money, which was understood between them to be an advance to be paid out of dividends. There has never been an adjustment of the matter between them, and there is an entire variance in the testimony of the two men as to what the transactions between them was, but the Committee are unanimous in finding the facts above stated. The evidence reported to the House gives some subsequent conversation and negotiation between Mr. Kelly and Mr. Ames on this subject. The Committee do not deem it material to refer to it in their report."

MR. JAMES A. GARFIELD OF OHIO.

"The facts in regard to Mr. Garfield, as found by the Committee, are identical with the case of Mr. Kelly to the point of reception of the check for $329. He agreed with Mr. Ames to take ten shares of Credit Mobilier stock, but did not pay for the same. Mr. Ames received the eighty per cent. dividend in bonds, and sold them for ninety-seven per cent, and also received the sixty per cent cash dividend, which together paid the price of the stock and interest, and left a balance of $329. This sum was paid over to Mr. Garfield by a check on the Sergeant-at-Arms, and Mr. Garfield then understood this sum was the balance of dividend after paying for the stock. Mr. Ames received all the subsequent dividends, and the Committee do not find that since that payment of the $329, there has been any communication between Mr. Ames and Mr. Garfield on the subject until the investigation began. Some correspondence between Mr. Garfield and Mr. Ames and some conversation between them during the investigation, will be found in the reported testimony.

Some of the gentlemen whose names were indorsed on the back of one of Mr. Ames' letters by Mr. McComb, as having received Credit Mobilier stock, were United States Senators. The Senate directed a select committee, of which Mr. Morrill, of Maine, was chairman, to investigate the charges against these gentlemen. Here is what they reported:

MR. JNO. A. LOGAN

In December, 1867, Mr. Logan made an arrangement with Mr. Ames to purchase ten shares of the stock, commonly known as the stock of the Credit Mobilier of America, upon the recommendation of Mr. Ames, that the stock was valuable. No payment was made in consideration of the arrangement at any time, and no stock was ever delivered. In June following Mr. Ames stated to Mr. Logan an account, in which he credited him with two dividends arising on the stock, subsequent to its purchase, of eighty and sixty per cent., respectively, from which he deducted one thousand dollars, the price of stock, and gave Mr. Logan a check on the Sergeant-

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at-Arms of the House for the balance, $329, which check was paid. On the 10th of July following, having become doubtful whether it was good stock, or whether there would not be a difficulty about it, Mr. Logan paid to Mr. Ames the amount of money received on the check, with interest thereon, stating to him that he had concluded not to take the stock, to which Mr. Ames assented; and here the transaction ended, Mr. Logan having no further interest in it. Mr. Logan and Mr. Ames were members of the House of Representatives at the date of the transaction.

MR. HENRY WILSON.

"On or about December, 1867, on behalf of his wife, at the instance of Mr. Ames, and upon the advice of friends, contracted for twenty shares of the Credit Mobilier stock, having therefor in cash two thousand dollars, which belonged to his wife, Mr. Ames giving a receipt for the same, and a guarantee for the payment of ten per cent interest thereon. Mr. Wilson became dissatisfied with the transaction from what he had learned of differences in the management of the Credit Mobilier and Union Pacific Railroad Company, concluded to regard the transaction as incomplete; and so stated to Mr. Ames, who consented to so regard it, and an adjustment was thereupon made, by which Mr. Ames paid back the two thousand dollars to Mr. Wilson, paying back to Mr Ames all dividends upon the stock and paying Mrs. Wilson the $814, the amount she would have received as dividends accruing upon the stock. The money paid to Mr. Ames was Mrs. Wilson's; it was contracted by her husband, and Mr. Wilson had no right or interest therein except as such as grew out of these facts."

MR. JAMES HARLAND, IOWA.

"It appears that Thomas C. Durant, of New York, Vice-President of the Union Pacific Railroad Company, had taken an interest in the Senatorial election of 1866, in the State of Iowa, between whom and Mr. Harland there had been a long personal intercourse, and who had a large personal interest in the State of Iowa, and professed to believe that Harland understood the interests of the State, and had been long enough at Washington to know how to care for those interests, and had, in the year 1865, given to Mr. Harland ten thousand dollars for the purpose of securing Mr. Harland's election to the Senate of the United States. Mr. Durant did not know how the money was applied, nor does it appear that he gave any direction as to its application, but seemed to expect that it was to be in part, at least, used to secure the influence of some newspapers in that State. Mr. Harland states that he received the money for election purposes in 1865, and that it was so used; that it was intended to cover expenses which his friends had incurred in the State canvass of that year, and also their expenses at the Legislature; that the contribution of Durant was voluntary, and not solicited by him, was not in consideration of any services performed or to be performed personally, or officially, or otherwise; that its reception and use had no reference to the donor's connection with any public or private enterprise, and that it was used in paying the expenses of the canvass at the Fall election of the members of the Legislature, and for expenses coming to, staying at and returning from the capital of Iowa, at the election of Senator."

MR. PATTERSON, OF NEW HAMPSHIRE.

"The transaction between Mr. Patterson and Oakes Ames discloses three principal facts, viz.: That on the 31st of August, 1867, Patterson purchased of Mr. Ames thirty shares of Credit Mobilier stock, paying therefor at that date three thousand dollars, which stock was subsequently delivered by Ames to Morton, Bliss & Co., of New York (the business correspondents of Mr. Patterson). Upon the 12th of May, 1871, on that date, Morton, Bliss & Co. mailed a letter, addressed to Senator Patterson, informing him of such deposit; that Ames had retained the possession of his stock, receiving the dividends payable thereon, and paying them over to Mr. Patterson as they were declared in February and June following, until 6th of May, when, on a final settlement between the parties, the balance of the dividends was adjusted, and in pursuance of which the stock was placed in the hands of Morton, Bliss & Co.

On two occassions subsequently and prior to 1871 Mr. Patterson purchased of Mr. Ames Union Pacific Railroad stock and bonds, investing therein, in all, the sum of four thousand dollars, which stock and bonds were placed in the hands of Morton, Bliss & Co., and were by them sold on Mr. Patterson's account.

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The market value of Credit Mobilier stock in August, 1867, was at par and rose in the next six or eight months to the value of $200 or $225 per share.

On this stock were paid in dividends on February 14, 1868, $2,328; on the 23d of June following, $1,800; on the 6th of May, 1871, $757.24, and one hundred shares of Union Pacific stock and two thousand dollars in income bonds on that road."

Schuyler Colfax was Vice-President, and neither the House or the Senate had jurisdiction in his case, save that the House might present articles of impeachment against him; hence, neither the House Committee or the Senate Committee mentioned his case in their report. Mr. Colfax appeared before the Poland Committee and testified as follows:

"I state explicitly that no one ever gave or offered to give me any share of stock in the Credit Mobilier or Union Pacific Railroad. I have never received nor have had tendered to me any dividends in cash, stock or bonds accruing upon any stock of either of said organizations. I told him (Ames), that I would agree to purchase twenty shares at par and interest, to be paid for as soon as I had the money. Some weeks or months afterward, at the same session, I paid Mr. Ames about five hundred dollars in cash on this contract of purchase, being all the money I had, but received no dividend or certificate of stock, in whole or in part. My impression is that he told me one or two dividends had been earned, but they were not in cash, and were as yet unadjusted; certainly I did not receive any, and was not offered any, in cash, bonds, or stock, then or since. A few weeks or months after this, I heard a rumor that unpleasant controversy existed among the largest stockholders, which was certain to involve the organization in prolonged litigation. The very day I heard the rumor I told Mr. Ames that no profit, present or prospective, could induce me to buy into a lawsuit, that I must therefore recede entirely from the transactions between us; he assented to this, and nothing was said as to the money paid, my anxiety being not to get in a lawsuit. The next year, or the year after, Mr. Ames suspended payments, in consequence, as was said, of financial involvments connected with the Pacific Railroad, and his creditors gave him an extension on his liabilities. But regretting his failure and its cause, I voluntarily told him to dismiss from his mind the small amount of money between us.

Mr. Ames followed Colfax. After a long, tedious wrangle, in which Mr. Colfax in vain tried to extract an admission from Mr. Ames that their contract was off, and during which Mr. Ames told him he had heard that suggestion for the first time from his lips at Wormley's after the investigation had begun, Mr. Colfax concluded by saying, "I want again to state to the committee, that I do not remember (before he was positive) ever having received one dollar from Mr. Ames, and I hope to be able to prove that fact. I think there is a mistake in this statement Mr. Ames makes."

This episode concluded, the Chairman resumed the examination of Mr. Ames:

"Q. Are we to understand, in relation to this matter between you and Mr. Colfax—and we want you to testify from your recollection—whether you understand that this contract about the Credit Mobilier was ever rescinded? A. I do not recollect it.

Q. Do you now remember anything in connection with any conversation between you and Mr. Colfax in relation to putting an end to it or being off? A. Nothing except a casual remark. There never has been any negotiation about having it off, or any agreement about it.

Q. What do you think that remark was—just what he said? A. I have no particular recollection of it.

Q. Have you any recollection? A. I do not think I have. I think what I did was what I got from him this winter.

Q. Have you any impression of any such thing being said between you and him? A. I do not think I have until this winter. I am willing to have it go any way Mr. Colfax pleases—to call it off or call it on.

At the conclusion Mr. Ames submitted the following memoranda, from which he had testified:

"S. C. *Dr.*

1868.

To 20 shares C. M. of A.	$2,000 00
To interest	86 72
June 19th, to cash	1,200 00
Total	$3,286 72

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1868.	*Cr.*	
March 5, by cash		$534 72
Feb. 14, dividends of bonds U. P. R., $2,000; eighty per cent. $1,600; less three per cent.		1,552 00
June 17th, by dividend collected for his account		1,200 00
		$3,286 72

The report of the House Committee in regard to the gentlemen who had accepted bribes was a whitewashing one. The committee was organized for that purpose. Before any testimony was taken all the gentlemen implicated were present at a meeting held in the room of the Committee on Pacific Railroads, where they were called together by Mr. Blaine, for consultation. They then and there agreed upon a story which every one of them was to swear to before the committee. This agreement was carried out. The Committee began its proceedings with closed doors and continued to sit in secret from December 12, 187 to December 19, when Congress took a recess for the holidays.

The independent press of the country demanded an open investigation, and public sentiment was so wrought up. that upon the reassembling of Congress, after the holiday adjournment, the House was compelled to direct the committee to open its doors. This spoiled the game of the Credit Mobilier Congressmen. Had the committee been able to continue in secret session, they might have got out of the scrape by pursuing the plan as above related; but, little by little, Oakes Ames was forced up to the point where he must either perjure himself, in order to save the men he had bribed, or else come out and tell the whole truth.

He had, singularly as it may seem, conscientious scruples about perjury, and accordingly he told the whole truth.

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A MODEL CARPET-BAG SENATOR.

JOHN J. PATTERSON, OF PENNSYLVANIA AND SOUTH CAROLINA, WHO ESCAPED THE PENITENTIARY AND BOUGHT A SEAT IN THE UNITED STATES SENATE.

We subjoin the correct biography of United States Senator Patterson, of South Carolina, from the New-York *Sun*. Patterson was one of the most urgent instigators of the recent outrageous order of Attorney-General Taft, by which the United States army has been placed at the service of the carpet-bag Republican politicians of the South, to enable them to overawe the Southern people and defraud them of their votes at the coming Presidential election. Is a party that honors such fellows as Patterson worthy of the support of honest men?

From the New-York Sun of November 5, 1873.

As a private citizen of Juniata County, Pennsylvania, John J. Patterson was comparatively an unimportant and vulgar fraction of society. It was of little consequence outside his immediate neighborhood whether he was a saint or a rogue. But when John J. Patterson became the successor of John C. Calhoun, by purchasing a seat in the United States Senate from the negro Legislature of South Carolina, the history of his life became of interest to the whole country.

The full import of this man's elevation to the Senate of the United States by wholesale bribery has not been grasped by the public mind. He stands in the Senate Chamber the representative of all the moral and political degradation that the last decade has given birth to in this country.

John J. Patterson entered the school of politics in 1853, by migrating from Juniata County, Pennsylvania, to Harrisburg, where he purchased of Theo. Fenn and Philo Sedgwick the *Pennsylvania Telegraph*. There was nothing about him at that early period to indicate that he was destined to occupy a place in the United States Senate, and it was impossible to conceive of any political earthquake mighty enough to upheave such a creature into the seat of John C. Calhoun. On the contrary, as afterward sufficiently appeared, he had already set out on the road which in those days commonly led to the penitentiary; and as Christian statesmanship had not yet been invented as an employment for the superfluous rogues of the land, John's chances of ending his days in making shoes or plaiting chair-bottoms for the State were as good as those of any young man of his age.

John got along, however, during the year that he affected to direct public opinion through the columns of the *Telegraph* without coming to any special harm. The fraud he had in contemplation, by which he afterward cheated the luckless owner of that newspaper out of the purchase money, nobody, of course, knew anything about but himself, while as a political writer his stupidity disarmed antagonism.

A GOOD BEGINNING

On the first of November, 1853, John came into the possession of the *Telegraph*, paying one-third of the purchase money, and giving his obligations for the payment of the rest at stated periods. Mr. Fenn says that "at the time of the sale, Patterson represented himself as abundantly able to meet his obligations, having in his own right, $8,000, which he had inherited, independent of his father, who was represented as being wealthy." The too confiding vendors learned when it was too late, that this was a lie out of the whole cloth.

In the spring of 1854, before any of his obligations to Fenn and Sedgwick had become due, Patterson sold the *Telegraph* to Messrs. Clyde & Miller for an advance of three thousand dollars, and left the city. Fenn, a thrifty and enterprising man, had

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gone into business in Lancaster, Pa., and was promptly on hand when his money was due. He found the bird had flown, but he hunted him down and threatened summary proceedings if his money was not forthcoming. Whereupon Patterson assured him that he had not the slightest intention in the world to defraud him, but in selling the *Telegraph* he had received no cash, and could not pay until he had negotiated the paper. Fenn offered to take the notes of Clyde & Miller, but Patterson declined to surrender them, and upon Fenn's threatening to attach the money in their hands, John opened his heart to the old man, and told him how he had courted and won a "ladye of high degree," to whom he was very shortly to be united in wedlock. "If," said he, "you proceed against me in this manner a great scandal will be created, and my hopes blighted, my prospects blasted. Trust to my honor, and I solemnly declare I will pay you every farthing I owe you." Fenn replied, "It shall be as you say, Mr. Patterson, a debt of honor, I will trust you."

Alas for the unsophisticated Theophilus! Patterson disposed of Clyde and Miller's notes to John H. Berryhill, and the next time Mr. Fenn called upon him to redeem his pledge and pay the debt of honor, he was coolly told to get his money the best way he could. Fenn employed John C. Kunkel, Esq., and at the August Term, 1858, he obtained, in the Court of Common Pleas of Dauphin county, judgments against John J. Patterson for $3,904.22, with $918.17½ interest. There was nothing, however, in the name of John J. Patterson whereby he could recover, and Mr. Fenn still could not see his way clear to outwit the young rogue. However, he was blessed with patience, and resolved to bide his time until John's father, who was quite old and feeble, passed away, when he thought, by being quick on the trigger, he might get his money. But here again he was circumvented by the young and promising swindler. John confessed judgment to his wife in the sum of $10,000 soon after his father died, and at the September Term of the Court of Common Pleas of Juniata county judgment was entered in that amount for the benefit of Lucretia E. Patterson, his wife.

ANOTHER CHAPTER OF RASCALITY.

In the meantime Patterson had gone to Philadelphia, where he engaged in the banking business, having for his partner one Samuel Slaymaker. His career as a banker was of short duration, but long enough to defraud sundry creditors, and fleece his partner out of goodly sums of money.

All this time Patterson was an active local politician, doing whatever the Winnebago Chief wished done in the way of manipulating county conventions in Juniata, Snyder and Northumberland counties. Finally the war came, and Cameron, being Secretary of War, gave John an appointment as Paymaster in the army. He acted in this capacity for a short time without being confirmed by the Senate, and exhibited the same obliquity of moral vision which had distinguished his dealings with Fenn & Sedgwick in Harrisburg, and with Slaymaker in Philadelphia. He mistook the funds of the Government for his own, and when his name came up for confirmation as Paymaster the Senate resolutely refused to approve his appointment, because it was clearly shown that he had already defrauded the Government by overcharges in his accounts. His backers were powerless to save him, and he quit the service in disgrace.

He had, however, with the Cameron influence to aid him, the adroitness to obtain the regular Republican nomination for Congress in the Fourteenth Congressional District, composed of Juniata, Snyder, Northumberland, Union, and Dauphin counties. This was Theo. Fenn's great opportunity. He had waited patiently for eight long years for a chance to revenge his wrongs. He wrote out "a plain statement of facts," giving the true history of the manner in which John J. Patterson had swindled him, and had the same printed in large type in handbills, which he distributed throughout the Fourteenth District. He traveled through and through the District himself, posting his handbills and telling the story of his wrongs at Patterson's hands to the honest yeomanry with whom he had been well acquainted for many years as the old editor of the *Pennsylvania Telegraph*.

A CERTIFICATE OF CHARACTER.

From this "plain statement of facts" I will quote the following paragraph:

"It is now eight years and six months since Patterson has had in his pocket, or possession, or been using *the money due me* for the *Pennsylvania Telegraph*, a press that I had spent twenty-three of the best years of my life in establishing and building up to a circulation and influence never before possessed by any press at the seat of government of Pennsylvania. No one acquainted with his means doubts that Patterson has had it in his power to pay me at any time within that period if he had had *the honesty to do so*. The sum he owes me, as will be seen by a copy from the docket, certified by the Prothonotary of Dauphin county, is about *five thousand dollars*. The portion of the purchase price of the *Telegraph* owed by him to Mr. Sedgwick was, after years of fruitless attempts to obtain payment by the latter, extinguished in this manner: Mr. Sedgwick was induced by Patterson in 1860 to take of him stock in an insurance company in Philadelphia, which proved to be *an utterly defunct, bogus affair, a swindle and a fraud*.

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"To show more conclusively the knavery and rank dishonesty of this man Patterson, I need only refer to the fact established by the certified record of the Prothonotary of Juniata county, which will be seen below, that he had abundant means to pay the debt he owes me, but that he hid his property and refused to do so from an *innate dishonesty*, and a predetermination to *defraud me*. That after the decease of his father, who was reputed to have left a large estate to three heirs, John J. Patterson gave his wife a judgment of *ten thousand dollars!*

"If he had not the means to pay *me*, as he alleged, why did he give his wife judgments to the amount of *ten thousand dollars?* Was it not done to keep me from collecting an honest debt? What other motive could have induced him to do so? *No other construction can be placed upon this act than a resolve to cheat honest creditors.*

"Now, I ask, is there an honest man in Dauphin, Northumberland, Union, Snyder, or Juniata counties that can or will vote for John J. Patterson to represent the people of this district in the national councils with this brand of dishonesty fastened upon him? With such an exposition of his *true character*, can he have the presumption, aye, the insulting impudence, to ask a man to vote for him? Or even to look *an honest man in the face?* Should he do so, tell him to seek support among the knaves and scoundrels of his own stripe! Spurn him from your presence, and teach other knaves who aim to make party politics subservient to their ambition and their avarice, that '*honesty is the best policy;*' and combine to '*lash the rascal naked through the world!*'

"Will the Republican party of this district sanction and uphold the dishonesty of this man Patterson by giving him their votes? Is it reduced to the necessity of supporting such a man? Has it lost that high moral integrity that has ever characterized it? That has been its lock of strength and its beacon of success? Will it commit political suicide by electing an untalented, unqualified and dishonest man to represent them in Congress? Is it now ready to fall in disgrace—to invite defeat under opprobrium? Can it feel under any obligations to vote for a man without any claims upon them, and destitute of every requisite qualification to represent them creditably in the Halls of Congress? Will it put such a man in a position to plunder the nation or sell his party whenever he can do so for his own benefit? What else can be expected of a knave who aspires to such a position?

"Did we want more evidence of the unworthiness of John J. Patterson we would point to the action of the United States Senate, *where his nomination for the office of Paymaster in the army was rejected on the ground of alleged frauds or overcharges in his accounts!* Why do not his backers clear up this charge against his official acts? Why are they so studiously silent on the subject, when he is placed before the people for the highest office now in their gift? The cause of their silence cannot be mistaken. If the charge was not true, would not the *Telegraph* ere this have heralded his innocence, and branded his calumniators? Would it have preserved a prudent silence while the Senate, by its deliberate action, branded him with its scorn and condemnation?"

REPUDIATED BY HIS PARTY.

This manifesto and the personal appeals of Theo. Fenn during his jaunts through the mountains, joined to the general distrust in which Patterson was held by all honest men of his party, overcame a standing Republican majority of 2,500, and elected the Hon. William H. Miller of Harrisburg, an uncompromising Democrat, by a handsome majority. The Republicans of the mountain counties had yet not been debauched—given over completely to political simony.

This defeat evidently impressed Patterson with the idea that the old man Fenn was a very vindictive and rather troublesome fellow to have following up an ambitious swindler. At any rate he not long since compromised with Fenn by satisfying the judgments standing against him on the records of Dauphin county, and stipulated that the war should cease, a pledge which the old man has religiously kept, none of the facts herein given having been obtained from him.

The poor widow of Philo Sedgwick, the partner of Fenn, who was swindled with the bogus insurance stock, has not fared so well, as will be seen by the following letter:

CORNWALL HOLLOW, Conn., July 26, 1873.

DEAR SIR: Mr. Sedgwick, at the time of his death, had a certificate of insurance stock of a thousand dollars, which I have no doubt he received from John J. Patterson in part payment for his interest in the *Pennsylvania Telegraph*. I sent it to Philadelphia to W. F. Judson, Esq., for collection, who returned it to me with the information that it *was worthless*. I have since destroyed it, with other papers that I supposed worthless. I am certain that Mr. Patterson is still indebted to him. He never paid him but one thousand dollars to my knowledge, and that after many years' waiting and much urging. Mr. and Mrs. Fenn are both aware of the facts in the case. Mr. Patterson's conduct was rascally, as you probably know. I have never had any communication with him since Mr. Sedgwick's death. Never has he written a word about redeeming the bogus stock.

Yours respectfully, ELIZA A. SEDGWICK.

Philo Sedgwick was a brother of the distinguished Gen. John Sedgwick, who won such a glorious record with the army of the Potomac. Mrs. Sedgwick, the writer of the above letter, is living in very reduced circumstances, and this fact is well known to Patterson, who, while acknowledging his indebtedness to her late husband, has within a few months refused to make any amends for his dishonorable conduct.

CORRUPTION.

In the spring of 1863, there was a United States Senator to be chosen by the Pennsylvania Legislature. The Democrats had a majority of one on joint ballot, but this did not discourage Simon Cameron in the least. He felt certain of being able to buy one or two men; and he entered into the contest with all his old zeal and true Scotch pertinacity.

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The Democrats had agreed in caucus to cast their votes for Buckalew, and Cameron had managed by liberal expenditure of money and promises to set up the Republican caucus in his favor. This done, he summoned to Harrisburg men who could buy votes. Chief among them were Jim Burns, a fellow named Brobst, and our dapper little rogue, John J. Patterson. John was the youngest of them all, but nevertheless was adjudged old and experienced enough to be employed on the most important and delicate missions. Simon, to his surprise, found unusual difficulty—not in finding purchasable Democrats—but in securing those who had sufficient nerve to take his money and the consequences sure to follow on selling their votes. The Democracy of every portion of the State were fully aware of the fact that Simon meant to buy enough of their men to secure his election, and the leaders of the party were there in force, determined that every man who was suspected should be "shadowed" night and day.

It soon became apparent to the wily old Scot that he must pick out a man who was unsuspected, and secure him regardless of cost. After careful deliberation he settled upon a member from Clearfield county—a Dr. T. Jefferson Boyer—and Brobst and Patterson were instructed to capture him. They set about their work, and to their great delight found Boyer an apparently willing victim. The Doctor was by no means an unsophisticated man, but on the contrary a shrewd, determined patriot; and when he was approached by Brobst he instantly came to the conclusion that he would listen to their overtures, seem to consent, and then at the proper moment, expose the plot and bring them to justice.

BRIBERY.

His story as told by himself to the committee of the House by whom the whole subject was investigated, reads as follows:

"In the early part of the session he met Mr. William Brobst of Lewisburg, at the Pennsylvania House in this city; and after several meetings, at the request of Mr. Brobst he granted him a private interview in his own room. During this private interview Mr. Brobst made known to Dr Boyer his ardent desire for the election of Gen. Cameron to the Senate of the United States; assuring him that he was authorized by Gen. Cameron to enter into preliminary arrangements with any member of the Legislature to secure his vote, and to offer $5,000 to any one who would agree to absent himself on the day of election.

"Mr. Brobst informed Dr. Boyer that Gen. Cameron desired to see him; and arrangements were accordingly made by them to go to Gen Cameron's house, but were not carried out. Afterward Mr. Brobst told Dr. Boyer that Gen. Cameron wanted to see him at the State Capital Bank; and on Dr. Boyer's consenting to the interview, he was conducted by Mr. Brobst to a back room in said bank, where he found Gen Cameron. The General then shut the door, put down the blinds, and had a private interview with Dr. Boyer. He asked the Doctor what he would think of $10.000 for a vote, to be paid when the work was done? And remarked that he regarded this sum only as a first installment. He spoke of two paymasterships in the army, which were life appointments, at a salary of $3,000 a year, one of which he could secure for Dr. Boyer. He also requested the Doctor to name some one who should arrange matters between them in the future; and, at the suggestion of Gen. Cameron, they agreed on Jim Burns.

"Mr. Brobst again met Dr Boyer and made another engagement with him to go to Gen. Cameron's house, but failed to fulfill his promise. The next day, being the Friday prior to the election for United States Senator, Mr. Brobst informed Dr. Boyer that Gen. Cameron desired to see him at the State Capital Bank, but as Dr. Boyer refused to meet him there, Gen. Cameron, at the instance of Mr. Brobst, was conducted to the room of, Dr. Boyer in the Pennsylvania House. At this interview Gen. Cameron agreed to give Dr. Boyer $15.000 for his vote; and informed him that he was going that afternoon to Philadelphia on the Lebanon Valley cars; that Jim Burns was sick, and that John J. Patterson would go in the same train, and would make arrangements in regard to the money.

"On the morning of that day, Dr. Boyer met with John J. Patterson who told him that he had seen Gen. Cameron, and that he was aware of the whole matter, proposing at the same time to meet Dr. Boyer at the Lebanon Valley depot. They accordingly met, and took the cars for Reading. Gen. Cameron also being on the train. In the baggage apartment of the New-York car, Mr. Patterson agreed w th Dr Boyer that he should have $20,000 if he would vote for Gen. Cameron for United States Senator, subject, however, to the approval of the General, and Mr. Pa terson afterward informed Dr. Boyer that Gen. Cameron had agreed to the price. Arrangements were made by Mr. Patterson and Dr. Boyer to meet with Gen. Cameron on Saturday evening at the house of J. Don Cameron. Accordingly they all met at the appointed time and place, and it was then agreed upon that Gen. Cameron would give Dr. Boyer $20,000 for his vote.

"On Tuesday morning, the day of the election for Senator, Mr. Patterson called at the Pennsylvania House immediately after breakfast and accompanied Dr Boyer to his (Patterson's) rooms in Herr's Hotel, where they found Gen. Cameron. The General told Dr. Boyer that Dr. Fuller would have an interview with him there whenever he was ready to receive him, and requested Dr. Boyer to say to Dr. Fuller that he would vote for him (Gen. Cameron) for United States Senator. Dr. Fuller was immediately introduced into the room, and inquired, as 'the Chairman of a committee appointed by the Republican caucus,' whether Dr. Boyer would vote for Gen. Cameron, and receiving from Dr. Boyer an affirmative answer, retired."

PERJURY.

The election came off in due time, and to the astonishment of Gen. Cameron, "the Chairman of the committee appointed by the Republican caucus," and all the pimps and purveyors of the Cameron school, Mr. Buckalew was elected by two votes. Not only did Dr. Boyer fail to vote for Gen. Cameron, but immediately after the election he publicly stated that an attempt had been made to bribe him to vote for Cameron, and asked that a committee be appointed by the House to investigate the whole subject.

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A resolution to that effect was introduced and passed by the House soon after, and a committee composed of S. Wakefield, D. Kaine, Thos. J. Barger, Cyrus L. Pershing, W. D. Brown, D. Lilley, and M. C. Beebe, was named to conduct the investigation, and report the facts and their conclusions to the House at as early a day as practicable.

On April 3 (see House Journal, p. 781) Mr. Pershing made the majority report from which I have already quoted the statement of Dr. Boyer. The committee were unanimous on one point—in disbelieving the testimony of Brobst and Patterson. The majority expressed their belief in Boyer's statement, and very emphatically, but decorously, declared that in their opinion Brobst and Patterson had perjured themselves in denying the offer of money to Boyer to vote for Cameron. Both admitted that they had had repeated interviews with Dr. Boyer, their statements agreeing in every respect with his save in regard to the money. They both denied that they had, either for Gen. Cameron, themselves, or anybody else, offered him any money for his vote, or insinuated that he should have any other valuable consideration.

The statements of Dr. Boyer in regard to all his meetings with the conspirators were corroborated by the testimony of a number of disinterested witnesses, and it therefore only remained for the committee to decide as to the truth of Boyer's statement, contradicted by Brobst and Patterson as to the offers of money.

On the 14th of April the House, by an aye and nay vote of 48 to 45 passed the following resolution:

Resolved, That the Governor be requested to instruct the Attorney-General of this Commonwealth to institute criminal proceedings against Simon Cameron, William Brobst, John J. Patterson and Henry Thomas.

CHEATING HIS SISTERS.

There is a still darker side to the history of John J. Patterson's life—a still more circumstantially proven story of crime to be related. William H. Patterson, the father of John, was a well-to-do citizen of Juniata county, owning a tract of land on the east side of the Juniata river opposite Mifflintown, a valuable tannery at Peru Mills, and the seminary property at Academia, seven or eight miles from Mifflintown. He died Aug. 24, 1858, leaving a will, and John J. Patterson and James M. Sellers his executors. His estate was generally believed to be worth $25,000, and by the terms of his will was to be settled up within five years, and the proceeds divided among his four children, John and three daughters. One of the daughters, Jane, had married the Hon. James P. Sterrett, now President Judge of the Courts of Allegheny county, Pennsylvania. In defiance of the terms of the will, the executors made no effort to settle up the estate within the five years, and it was not until at the petition of the Hon. James P. Sterrett they were cited to state an account that they in 1860 filed partial accounts—not jointly, but separately.

The account of John J. Patterson brought the estate in debt to him $2,870.05. The attorneys of the heirs, at the request of the Hon. James P. Sterrett, filed twenty-six exceptions to this account, wherein they alleged that he had mismanaged and wasted the estate; that he had not charged himself, as he should have done, with judgments to the amount of some $2,000 which he had collected, and that he had credited himself with greater amounts of interest than he was legally entitled to; that he had not accounted for 100 shares of stock in the Union National Bank of Philadelphia, or for real estate of great value which he had fraudulently and collusively sold to his wife and other parties. They also alleged that he had not charged himself with a note for $3,490.83 from the firm of Slaymaker & Patterson to the testator; and finally that he had taken credit for a note for $2,000, and $1,124 interest on same, which purported to be from the testator, William H. Patterson, to John J. Patterson, and dated Aug. 18, 1858. They denied the genuineness of the note, and alleged it to be a forgery.

The seminary property at Academia, of which the testator owned an undivided half, contained sixty acres of valuable land, and was improved by a fine large brick building which had formerly been occupied for a female seminary. During his lifetime, William H. Patterson paid $7,000 for this property and greatly improved it. This, John J. Patterson, in a seemingly regular manner, and with the consent of his co-executor, sold to his own wife for the pitiful sum of $100, and joined in conveying the same to her. About the same time he, as executor of his father's estate, gave a power of attorney to one James Abel White to transfer, without any consideration whatever, to James M. Sellers, his co-executor, the one hundred shares of stock in the Union National Bank of Philadelphia, which belonged to his father's estate.

A MATTER OF FORGERY.

This whole matter was fought over for some time before an auditor was appointed by the Orphan's Court, but Judge Sterrett being thoroughly convinced that the $2,000 note was a forgery, and that the same could be established, he petitioned the Orphan's Court to direct an issue to the Common Pleas to determine this point. This was done,

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and at the September Term, 1869, the cause came on for trial, John J. Patterson being made plaintiff and John M. Kennedy administrator, &c., of Jane H. Sterrett, deceased, *et al.*, defendants. The defendants were also permitted to give evidence of the alleged indebtedness of the late firm of Slaymaker & Patterson to Wm. H. Patterson, deceased.

The plaintiff, John J. Patterson, was represented by the Hon. Alexander K. McClure as his counsel, who displayed great ability in trying this very important case. By the manner in which the issue had been directed by the Court, the burden of proof lay with the plaintiff to prove the genuineness of his father's signature to the $2,000 note. The defendants could prove by the letters of the plaintiff to his late partner, Samuel Slaymaker, that the firm was indebted to the estate of Wm. H. Patterson in the sum of $3,490.83, and that a note for this amount had been given. It was therefore necessary for the plaintiff so show also that he had been individually released by his father during his life-time from his share of this liability. The following brief history of this trial I condense from the Judge's notes, which are now before me.

The plaintiff went about his work in a very simple and direct way. He produced two witnesses, a relative, Captain William H. Patterson, and a brother-in-law, Dr. Thomas Moore, who swore they were at the house of John J. Patterson, in Academia, with whom William H. Patterson, his father, lived, on the 18th of August, 1858, and saw the $2,000 note written by John J. Patterson and signed by his father. The words "with interest" were added at a subsequent time by John J. Patterson at the request of his father. The consideration was 200 acres of land in Iowa, which William H. Patterson purchased from his son John J. to give to his daughter Salina. This done, the plaintiff rested.

DAMAGING TESTIMONY.

The defendants produced William Russel, a banker of Lewistown, who testified that he was very familiar with the handwriting of the deceased, and that in his opinion the signature to the note was forged. John Patterson, a brother of the deceased, also testified to the same effect, as did also Judge Burchfield, of Mifflintown, Samuel Slaymaker, the former partner of John J. Patterson, and Alex. M. Guthrie, William Roseburgh, John Magoflin, James W. Kennedy, and John M. Laughlin, bankers and experts of Pittsburgh. They then proved by John Patterson that John J. Patterson admitted to him the evening after his father's funeral that he had exchanged the 200 acres of Iowa land with his father for other Western land; that he made a sacrifice in so doing, but did so for the benefit of his sister Salina, to whom his father had given the Iowa land. James Patterson, son of John Patterson, also testified to the same fact, as did also Robert Patterson. Elizabeth Shultz, the old housekeeper of William H. Patterson, testified to hearing a conversation between John J. Patterson and his father a few days before the latter died about exchanging Western lands.

The defendants produced a letter from Capt. W. H. Patterson to Dr. J P. Sterrett, dated Aug. 19, 1858, at Mount Pleasant, in which he inquired about political matters in the neighborhood of Academia. This was to show that he could not possibly have been at John J. Patterson's house the day before They also proved by domestics that they had not seen Capt. W. H. Patterson at John J. Patterson's house for several days preceding his father's death. Dr. Sterrett testified that he was W. H. Patterson's physician and attended him in his last illness, and was frequently at John J. Patterson's house, and that he did not see either Capt. Patterson or Dr. Moore there.

In regard to the Slaymaker and Patterson note, the letters of John J. Patterson to Samuel Slaymaker were produced by defendants, in all of which he spoke of their indebtedness to his father, and in one he mentioned a note for $3,490.83, and inclosed a copy of the same in the letter. He was urging him (Slaymaker) to pay one-half of this indebtedness, so that he (Patterson) would not be held for the whole.

HOW HE SAVED HIMSELF.

To rebut this damaging testimony, Capt. Patterson and Dr. Moore were recalled. They testified still more positively to what they saw and heard on the 18th of August, 1858, when the note was signed. They described with great minuteness the positions in which John J. Patterson, his father, and themselves were seated in the room, and repeated several remarks alleged to have been made on unimportant topics at the time. They also testified that at the time the words "with interest" were added to the note, Wm. H. Patterson came into the room with some papers in his hand and gave them to John J. Patterson, saying, "Here are those Slaymaker papers. They are of no use to me; do what you please with them." Capt. Patterson further testified to having a conversation with the old man some time previous, in which he said "that if John would come and live with him, he would forgive him the Slaymaker debt." He accounted for and explained the letter he wrote to Dr. Sterrett on the 19th of August, 1858, in an ingenious way, which was well calculated to deceive.

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Ex-Sheriff Joseph Bell and a carpenter named John Sherlock were important witnesses to prove that William H. Patterson had admitted to them a few days before his death that he had bought the Iowa land of his son John for $2,000, and given him his obligation for the same, and also that he had released him from the Slaymaker debt. They testified to this in a very emphatic and business-like manner. A deed from John J. Patterson and wife, bearing date and acknowledged Aug. 18, 1858, was also given in evidence by the plaintiff. It may be noted here that John J. Patterson had all along strenuously denied that his father had any Western land, and made oath to the same effect before the Auditor. Samuel Slaymaker testified that John J. Patterson had, while a partner of his, visited the West for the purpose of purchasing land for himself and father, and that while West he drew on him for large sums of money, which were paid, and afterward, by direction of John, charged to his father's account.

After argument by counsel, and an able and impartial charge by Judge Graham, the case was given to the jury in the evening, and the next morning they returned a verdict for the plaintiff, very much to the surprise of many, and not a little to the joy of John J. Patterson.

CONFESSING HIMSELF A SCOUNDREL.

And now comes the strangest part of this strange story. The defendants' counsel immediately moved for a new trial on the ground that the jury had not passed upon the whole issue, as directed by the Court. Here the matter rested until April 27, 1870, when the counsel for defendants came into court and asked leave to file the following additional reasons for a new trial:

1. That since the last term material testimony, important to the defendants, has been discovered, and which before trial they had no means of ascertaining.

2. That since the last court it has come to the knowledge of the defendants, from a source believed reliable *that suborned and false testimony was introduced on the trial, by the plaintiff, and that the verdict was procured by corrupt means.*

The knowledge of this "suborned and false testimony" came to the defendants in the following manner: The Hon. Alex. K. McClure, John J. Patterson and J. V. Cresswell were interested in certain railroad speculations in South Carolina, and shortly after this trial was over they all went South, and while stopping at the Nickerson House, in Columbia, S. C., John J. Patterson in Cresswell's room, and in his presence, admitted to McClure that he had suborned Capt. Patterson and John Sherlock to testify falsely in this suit. McClure, it seems, had had his suspicions aroused in regard to the testimony of these witnesses as well as of others on the plaintiff's side during the progress of the trial, and immediately after the verdict had been rendered compelled Patterson to accompany him to Judge Sterrett and allow him, McClure, to propose a compromise and settlement, McClure at the time stating that he was satisfied there was something wrong about Patterson's account so far as Western lands were concerned.

When Patterson made the admission about suborning witnesses McClure at once determined to get himself out of a very ugly and rather perilous situation. He came North, and in Philadelphia took counsel with one of the ablest lawyers at the bar as to the course he should pursue. Following the advice he received, McClure appeared at Mifflintown at the June Term of court, and in open court asked to be marked on the record as withdrawn from this case. It also seems that he stated privately to Judge Graham his reasons, or some of them, for so doing. He had also previously communicated the facts to Judge Sterrett, one of the defendants, who immediately caused the additional reasons for new trial, as above given, to be filed. When McClure made a statement to Judge Graham, that officer was so incensed, or so excited, that he made hasty remarks rather severely reflecting on Patterson, and when he became calm he would not consent to hear the motion for new trial, because he thought his remarks incapacitated him. He, therefore, requested Judge Robt. J. Fisher, of the Nineteenth Judicial District, to hear the motion. At a special term, held June 7, 1870, the hearing was had. I transcribe from Judge Fisher's notes the most important testimony:

EVIDENCE GIVEN UNDER OATH.

"The Hon. James P. Sterrett sworn: I first acquired the information a short time after the trial from Col. McClure, in the presence of the plaintiff, that there were certain matters in this case which the defendants were not acquainted with. This was an hour or two or less after the verdict was rendered. He said he was satisfied the case ought to be settled, and had so advised his client. He did not state to me what the matters were. I afterward learned, through other sources, information which induced me to call upon Col. McClure, and in an interview with him I learned facts and circumstances from which I did believe that the grounds laid in the supplemental reasons for a new trial were true, and that they could be substantiated by competent testimony. This conversation in which this knowledge was acquired occurred two or three days before these reasons were filed. We then embraced the first opportunity to assign the reasons in court.

"Col. A. K. McClure sworn: I was called upon by Col. Patterson in July of last year, before the trial, to assist in the trial of this case. I had been of counsel for the co-executors in the argument of the exceptions to the accounts. I declined to try the case for Mr. Patterson, and gave him my reasons for it. Subsequently he asked me again and urged me to take part in the trial. I told him I had reason to fear

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that his account was incorrect. I went on and tried the case. In the progress of the trial there were certain facts developed not communicated by Mr. Patterson nor discernible by an examination of his papers, that led me to doubt the correctness of his case. The case was heard and a verdict rendered for the plaintiff.

"The verdict was rendered in the morning. The first opportunity I had after the verdict to confer with Mr. Patterson I told him that he had now been vindicated personally in the case, but as to his executors' account it was not correct. I wished him to go with me and confer with Judge Sterrett and propose a just and amicable settlement of all the questions at issue between them without reference to the verdict. I believed the verdict right so far as he was personally vindicated, but that I did not regard the verdict as correct as far as it related to the questions of accounts and money involved. I had no direct evidence of any moral turpitude in the case, but from circumstances which had developed on trial not fully explained to my own mind I did not believe that the verdict was in all respects a just one. He declined to see Judge Sterrett. I then told him if he did not accompany me I would go to see Judge Sterrett myself and state to him all I knew about the estate that he had withheld from me.

"He then accompanied me to see Judge Sterrett. We found him in front of the Court House, in conversation with his brother. I called him away, and told him in the presence of Patterson that I had brought him there to endeavor to effect a settlement of all the matters between them. I said I thought he had done Patterson injustice in charging him with forgery, and I declared that I believed him properly vindicated; that I had reason to believe that in some material respects Mr. Patterson was not in the right, and I desired that all questions between them should be amicably and justly settled as though there had been no verdict affecting those questions. I stated to Judge Sterrett that Mr. Patterson could and should account to him for some lands, and if both parties agreed honestly and kindly they could settle everything in relation to the estate.

"The matter was talked over for nearly an hour, and I believed from the disposition shown on both sides that they would be able to settle. I stated distinctly in this conversation, in the presence of the plaintiff and defendant, that I had reason to believe that Mr. Patterson's statement was not in all respects correct. I spoke in general terms on the subject, because I did not wish to develop anything that might impede an adjustment. I certainly intended to make it plain to both that I did not approve of that verdict, although when I became counsel in the case and was engaged in the trial of it, I had no information to make me doubt the correctness of my client's case.

PATTERSON'S FATAL ADMISSIONS.

"A short time after, I spoke to Mr. Patterson on the same subject. I told him I believed Mr. Sterrett would settle this question, and that he must press it to a settlement. He told me he would write to Judge Sterrett on the subject, and propose a meeting at an early day for that purpose. From that time until January or February last I did not doubt but that this settlement would be made, and I certainly believed from all my conversations with Mr. Patterson on the subject, that he regarded a settlement as certain. A motion for a new trial had been filed. I gave it no attention whatever, because I believed the case would be disposed of. I was with Mr. Patterson in South Carolina for two months, embracing the period of the next court: stopped at the same house with him; was connected with him in business, and had daily interviews with him during that period. He had all this time no conversation with me that would induce me to think I would ever try this case again. I did not learn what disposition had been made of it until fully a month after the court had adjourned.

"Mr. Patterson never informed or advised with me about it, although it had been spoken of by me occasionally, but I did not doubt all the time that a settlement would be effected, and did not doubt that he desired a settlement also. He spoke to me, when in South Carolina, of the case, of the witnesses, and of the evidence, and in a casual and careless conversation, in a manner I certainly thought he would not have done had he supposed further proceedings in the case possible. These conversations were sometimes rather reckless in their character. In one conversation, for instance, when I stated that I did not believe the testimony of Wm. H. Patterson, *he stated that it required him and the witness, Wm. H. Patterson, two weeks of careful study to determine which of two or three lies could be most successfully sworn to in this case.* And he thought they had fixed it up damned cunningly by the lies they had adopted. That testimony related to one of the most vital points of the case. That point was in relation to the presence of Capt. Wm. H. Patterson at the home of the testator at a particular date, when he was proven to have been elsewhere by his letters, and also to conversations he testified to have had with the testator. Wm. H. Patterson's testimony covered every point in the case.

"On another occasion, in a room with Mr. Cresswell, he opened a letter he had received from home, containing notice of a protest of a note drawn by Mr. Sherlock, another witness in the case, and indorsed by Mr. Patterson. He showed whose note it was, and said, 'Here is another note I will have to pay.' I said to him, 'Colonel, is that not the price of Mr. Sherlock's testimony in your case?' His answer was: '*Yes, it is damned cheap; only one hundred and sixty, or eighty, dollars,*' which he said, I do not remember. After the trial was over, I had spoken to him about Sherlock's testimony. Mr. Sellers, Mr. Cresswell, and myself were connected with Patterson in the construction of a railroad in South Carolina. Mr. Patterson had requested, when we were all together before the trial on our South Carolina business, that he (Patterson) should be allowed to dispose of certain contracts, for he had promised those contracts to Mr. Sherlock and other parties in Juniata county. Upon the examination of Mr. Sherlock at the time, he (Sherlock) was subjected to a rigid cross-examination upon the subject of having obtained money from Mr. Patterson and the promise of contracts to build bridges in South Carolina. Soon after the trial, Mr. Patterson had another conversation with Mr. Sellers, myself, and Mr. Cresswell, in relation to our contracts. He then renewed the demand that he must have the bridges for Mr. Sherlock because he had promised them to him. In a subsequent conversation on the same subject, he was again insisting upon having the bridges for Mr. Sherlock, as he had promised them to him before the trial. I reminded him of Sherlock's examination, when Sherlock stated that no such conversation was had. He said it did not make a damned bit of difference what Sherlock had sworn to—that he had promised them to him.

A SUBORNED WITNESS CONFESSES.

"I also had several conversations with him as to the testimony of Sheriff Bell. He had asked me to try a case for Sheriff Jos. Bell, which was on the list immediately before his, which I did. It involved the validity of a recognizance and the presumption of its payment—a recognizance in the Orphan's Court. I stated to Patterson after the trial that I had reason to believe that the recognizance was forged. (It was not recorded, and was presumed to have been lost.) He said it made no difference whether it was or not; that it answered the purpose; that Mr. Bell was one of his most important witnesses; and he had to help him out, and besides, he, Patterson, was to get part of the money. Mr. Patterson did not admit it was a forged paper.

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"When I was at the court in this town in February, 1870, Mr. Bell asked me out into the Prothonotary's office, and told me that he understood I was going to make trouble out of the Bell case and the Patterson case. I told him I had no desire to make trouble out of his case at all; that I believed the paper was forged, but without the paper he would be justly entitled to the verdict; that what I had complained of and meant to bring to the notice of the Court was a subornation of himself and others in the Patterson case. He answered just in these words: *'I know it was wrong, but what can I do?' and then he said Patterson took* $500 *of the money as soon as the verdict was rendered.* I said I would say nothing about it; that his suit was right, and he must make Patterson refund the money he took from him, and if hereafter there was any investigation of the Patterson case, he must tell the truth. He said he would. All he asked for was that I should not interfere with his suit. I have had no further conversation with him or seen him since.

"Up to the 1st of February I had no knowledge of these facts. I believed this case would be settled, therefore I did not speak of them unless to a few confidential friends, as I thought it best the case should be settled. I do not remember that I communicated this to any one except some one or two confidential friends—except Judge Black. I attended the February court with the intention of making this statement to the Court then. At that term the defendants had no knowledge of my purpose. The argument of the case had been concluded before I arrived at this place. I attended the April term for the same purpose; the defendants, not knowing my business, consented to continue it again. I then went to Judge Sterrett and stated to him my business here, and that when the motion for a new trial was to be argued, I intended to state in open court my reasons for withdrawing from the case, as I had information touching its merits making it impossible for me to press the case to judgment. Upon this information the supplementary reasons for a new trial were filed.

"Mr. Sherlock swore to every portion of the case except the alteration of the note.

"I have not stated that I would commence a prosecution against Patterson for defrauding the Government when paymaster. I have held conferences with some persons at Washington on the subject. *I have not attempted to put him in the Penitentiary, but from my own knowledge I do not know any one who deserves it better.*"

DID HE STEAL $25,000 IN SOUTH CAROLINA?

James M. Sellers, Patterson's co-executor, testified that he was aware of William H. Patterson, deceased, owning lands in Wisconsin, and that John J. Patterson was also apprised of that fact. Mr. Sellers corroborated Col. McClure's testimony in regard to Patterson promising bridge contracts to Sherlock.

"J. V. Cresswell—I had no quarrel with Patterson. I am still on friendly terms with him as far as I know. We were so when in the South. I have charged Patterson with unlawfully taking money I had an interest in. He and a big constable stole about $25 000 from us. I do not know what you call it, but I know he took it. I was present at Columbia, S. C., when Mr. Patterson received some letters. Among them was one containing a protest on a note of Mr. Sherlock's. Mr. McClure asked him if that was what Sherlock charged him for his testimony. He said it was, and it was very cheap. The amount of the note was between $160 and $190.

"Cross-examined:

"Q.—Were you a pretty jovial, funny set of men there! A.—Reasonably so. Patterson is such a party. He is able to take care of himself.

"Q.—When Patterson made that remark, was not his answer jocular—an answer the same as the remark of McClure's? A.—I cannot say that. Can't say whether his answer was jocular or not. I do not think Col. McClure's manner was jocular. I thought Col. McClure's remark was in earnest."

The Hon. James P. Sterrett recalled:

"I had knowledge that the testator had Western lands from the testator himself, but did not know where they were located. I had knowledge of the same fact from at least two conversations with Col. Patterson himself, and which occurred shortly after the death of the testator. After the accounts of the executors were filed I saw there was no account of them, and while the account was pending before the Auditor, I sought to obtain from Col. Patterson some information in relation to them and what had become of them. Notice was served on Col. Patterson to produce before the Auditor any evidence of title to those lands in his possession. The papers were called for during the pending of the account before the Auditor, and Col. Patterson denied on oath that he knew anything about the lands or the title papers to them."

When this testimony had been heard, the counsel of Patterson, after asking for an adjournment till August, and being granted the favor, came into court on the 9th of August, 1870, and said that his client was now anxious for a new trial, that he might vindicate himself before a jury of his countrymen. Three years have passed since then, but John J. Patterson has quietly rested under this load of infamy during all this time. The defendants have time and again moved for trial, but the plaintiff's attorney has always asked for a continuance. Not only this, but Patterson has opened negotiations with his brother-in-law, Judge Sterrett, and is now pleading for a compromise and settlement.

HE INVEIGLES COL. TOM SCOTT.

Patterson became connected with the Hon. A. K. McClure and Col. Thomas A. Scott in railroad speculations in South Carolina in the following manner: He had visited the South for the purpose of spying out new opportunities for the pursuit of his vocation. In that State he met plenty of kindred spirits, and vast opportunities for plunder were pointed out to him. But unfortunately Patterson and his new Southern friends had neither capital nor credit to operate with.

Vast fortunes were to be made in manipulating railroads if they could only find men of means and national reputation to embark in their enterprises and give them credit in the markets of the world. They had charters, or could procure them for

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a very small consideration from the negro Legislature for as many railroads as they wanted. Patterson knew that the Southern Security Company—one of Col. Scott's schemes for consolidating Southern railroads into great trunk lines to feed the Pennsylvania Railroad—needed a connecting link through a portion of South Carolina for one of their combinations. He thought he could make a strike by going North and laying his plans before the great railroad magnate. Accordingly in due time he submitted his project to Col. McClure, who in turn submitted it to Col. Scott. The railroad king dispatched Col. McClure to South Carolina to examine into the state of affairs and report on the speculation proposed by Patterson. Col. McClure went South, and reported in favor of the scheme, but at the same time said that the State Government was run by a gang of thieving scoundrels, and there was danger of their being robbed unless every move was made with deliberation.

There was, however, a great deal of money to be made legitimately and honestly. The showing was good, and Scott decided to go in, provided McClure would go South and personally superintend all the details. He had no confidence in Patterson, and wanted to have nothing to do with him, directly or indirectly. If McClure could keep him up to the mark he had no objection to his having a large interest in the railroad.

HE BEATS COL. TOM SCOTT.

This was all Patterson wanted—the use of Scott's name. It gave securities a market value, and Patterson and his confederates could issue bonds and vote themselves all the State aid they desired For a time he acted in apparent good faith with Scott and McClure, but all the while he was conspiring with the South Carolina thieves to bag the game entire and cut loose from the man who had given them credit. In a very short time they succeeded. Scott and McClure could not afford to be concerned in swindling and open robbery, and the result was they withdrew, content with whatever Patterson and his fellow-rogues were willing to give them.

It turned out in the end, however, that they could not get away with all the money paid to them. Patterson was an expert in suborning witnesses, and in South Carolina he had no difficulty in buying up courts also. When he and his fellow conspirators paid to the agent of Col. Scott the last installment of money due him and McClure—$25,000—Patterson was prepared with affidavits and a subservient court charging the agent with intent to embezzle the money and defraud his employers—Scott and McClure. He had him arrested, thrown in jail, and secured the money for himself. There was no relief possible for either the agent or his employers. The former was glad to escape with his life, and the latter could do nothing with the courts and clouds of purchasable witnesses at the beck of the scoundrels who had defrauded them.

After this brilliant piece of strategy, Patterson and his confederates manipulated their railroad securities, State bonds, State scrip, etc., realizing handsomely thereby. It is said by well-informed men who were cognizant of Patterson's transactions, that he made in this way in a year or two at least $500,000.

HE ALSO OVERCOMES GOV. SCOTT.

He had always a liking for politics, and cherished an idea of becoming a statesman. He therefore determined to set up the Legislature, and carry off the United States Senatorship. Gov. Scott was ambitious of the Senatorial toga, and Patterson concluded that it would be a good dodge to be a Scott man, control Scott's funds, and secure his own election with them. He therefore concealed his aspirations, but corrupted and made an ally of Nagle, the State Comptroller, who was Scott's banker and general manager in the Senatorial contest.

It was agreed between Patterson and Nagle that the latter was to bleed the Governor freely, and make him believe his election was certain, but was to buy up his members to vote as instructed on the morning of the election. Some thirty thousand dollars were advanced by Gov. Scott and used in this way, and when the election came off John was on hand with plenty of cash. This money was invested in the open purchase of the Legislature, but to the surprise of everybody in South Carolina as well as elsewhere, this notorious confidence man was elected United States Senator.

HE AGAIN ESCAPES THE PENITENTIARY.

After the first surprise, Scott and his few faithful friends began criminal prosecutions, and Patterson was arrested. But here again his money was omnipotent, and for so much cash paid down the prosecution was discontinued. In addition to the money advanced by Gov. Scott, Patterson has admitted that it cost him not less than $60,000 to secure his election, besides several thousand more which he paid to stop the criminal proceedings.

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PRACTICAL RETRENCHMENT AND REFORM.

WHAT THE DEMOCRATIC HOUSE OF REPRESENTATIVES ACCOMPLISHED.

SPEECH OF HON. SAM. J. RANDALL.

Mr. RANDALL. Mr. Speaker, before the final adjournment of a protracted and laborious session, it is proper to review our action concerning appropriations from the public Treasury to carry on the Government for the fiscal year ending June 30, 1877. In the discharge of this task I am sensible of no other motive than that there shall be a complete and impartial exhibit of the work in behalf of retrenchment and reform which we set out to do, and the difficulties and opposition which met us at every step in the interest of those who saw in any reduction of the public expenditure loss to them of salary or place, notwithstanding there was consequent advantage to the tax-payers and the efficiency of the Governmental administration was in no degree impaired.

We were met at the very threshold by inexorable alternative of reducing expenditures to a just and economical basis, or, by allowing appropriations to be made at the same figures of previous years, with increased taxation; and this latter was our plighted faith and solemn duty to prevent in behalf of the great body of the people borne down by a heavy load of taxation, and who were further distressed beyond measure by derangement and misfortune in every avenue of agricultural, manufacturing, mechanical, and commercial activity. To this end every item of public expense, whether large or small, was subjected to the severest scrutiny, and an inspection of every Bureau and Department of the Government undertaken without parallel, I believe, for a quarter of a century.

The Committee on Appropriations gave to this work their most earnest attention. It required incessant labor and much patience. Arrayed against us were all those whose favorite selfish schemes were to be frustrated for the public good; eager and greedy corporations who sought to fatten from the public purse, place-hunters and place-holders, and the friends and partisans of all, high or low, who were in any way to be affected by reduction, and especially by the marked unwillingness on all hands by chiefs of bureaus and heads of departments to agree to any withdrawal of their official patronage. But we had the comforting assurance that we had behind us the people who demanded that their burdens should be lightened by practical and necessary reductions, and this consoled us oftentimes in the discharge of an imperative public duty when we found ourselves compelled to deny appropriations to the extent desired for objects dearly cherished by our constituents.

The majority of this House of Representatives was elected to reform manifold abuses of administration. And when we assembled in December last that reform element assumed full authority in this hall, and obtained partial control over public expenditures. The first difficulty which presented itself to the execution of the trust confided to us was the existence of a rule of the House which prevented the repeal or even modification of any law as to appropriations upon an appropria-

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tion bill unless two-thirds of the members assented thereto, which number the majority did not have.

The construction which had been given to that rule allowed amendments to increase compensation to officers, clerks, and employés, but adroitly prevented as out of order any reduction whatever. To overcome this obstruction a proposition was submitted to so change the rule as to allow the incorporation into appropriation bills of such legislation, which, being germane, retrenched expenditures, thus making a complete revolution in the operation of the rule and turning legislative action in this House from extravagance into the better and safer direction of economy. That change, for the purpose I have indicated, was vigorously resisted by the Republican side of the House, for the reason that, composing as they did and do more than one-third of its members, no amendments changing existing law could be made or put upon an appropriation bill except when such amendments increased salaries, as under the old practice two-thirds were required to suspend the rules to allow the majority to vote even on such amendments ; and that two-thirds, as I have already stated, the minority in this House could at any time refuse.

Without such a change any and all efforts on the part of the House to reduce the expenditures of the Government would have been as idle as the wind. Here stood the Republican members of more than one-third to prevent and obstruct any such reduction, with a Senate, as we afterward found, even more determined in its purpose. Finally, through the agency of the Committee on Rules, we secured a report of the alteration so much desired, and the House adopted it by a majority composed exclusively of democrats. Almost all the reductions we have accomplished have followed as the result of that first step, for it opened the way.

It must not be forgotten that when Congress assembled the country was prostrated in all the essentials which go to make a people prosperous, contented, and happy. Many of our manufacturing establishments were closed, and most of those still running were working only a portion of the time. Commerce languished, agriculture went unrewarded, and a feeling of distrust widely prevailed, causing capital to be unusually cautious. Almost all new enterprises were abandoned, and labor, then as now seeking employment, was to the extent of its activity inadequately remunerated.

Our duty in such a condition of affairs was too plain to be mistaken. It was to lop off at once, and resolutely, every extravagant and unnecessary expense. This we have partially accomplished, and in a manner which will in no degree cripple the Administration in its legitimate functions. But to secure even this partial result without producing friction has required long and patient examination, investigation and study. A further plan of procedure adopted was to reduce 10 per cent. all salaries over $1,200 and provide a reduction in the force of clerks and employés of 20 per cent. These two provisions, if fully adopted, would have secured a much larger reduction of appropriations and the discharge of all supernumerary clerks and employés, of which there are still a large number.

It is well known that all over the land private establishments of every sort and description have reduced the rates of compensation to their employés. A signal instance of this is shown at Lowell, Massachusetts, which is the guide in a measure for all New England. The working people there have themselves consented to a reduction of 10 per cent. as just and fair, not the first either to which they have recently been subjected. The House considered this not an unreasonable reduction in amount under the circumstances. But this reduction has almost wholly failed because of the obstinacy of the Senate and the Senate conferees in relation thereto. A reduction in the number of clerks and employés has been only partially realized, as the House conferees were forced to yield a part of their recommendations. It will surprise many when they learn the fact that as many as one hundred thousand persons receive pay from the Federal Treasury.

In order that no harm should possibly come from reduction of force, we directed the attention of the executive officers of the Government to the existing law in reference to the hours of labor required for the clerks and the employés. It is to be found in section 162 of the Revised Statutes, as follows:

Sec. 162. From the first day of October until the 1st day of April, in each year, all the Bureaus and Offices in the State, War, Treasury, Navy and Post-Office Departments, and in the General Land Office, shall be open for the transaction of the public business at least eight hours in each day; and from the 1st day

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of April until the 1st day of October, in each year, at least ten hours in each day, except Sundays and days declared public holidays by law.

Heretofore clerks have only been required to devote six hours a day to the service of the Government. Recently, on the coming in of the Democratic House, by orders to the Bureaus, that time has been extended to seven hours. If, however, the terms of the law are adhered to, more actual hours of service will be secured udder the reduced numher of clerks and employés agreed upon than we have now with the present excessive force.

Great complaint has been made against our change of laws upon appropriation bills, as though it were at this time a novel and unheard-of thing and never before attempted in the Legislation of the Government. Let us see how that is. I append herewith a list of changes of laws which have been incorporated into appropriation bills during all the years from 1865 down to and including 1875. The extent to which such legislation has been carried on will, I have no doubt, surprise many ; and I regret to say that during those years of undisputed Republican rule in both branches of Congress the change has almost always been in the direction of increased appropriation and expenditure.

I will here mention a few notable instances of such legislation. They embrace changes in the staff and line both of the Army and Navy.

The Pacific Mail steamship subsidy found its place on such act.

The re-organization of the Post-Office department.

The re-organization of the diplomatic and consular service.

The partial re-organization of the sub-treasury system.

The prohibiting the pardon or amnesty of any claimant in the Court of Claims being admissible to establish his standing in court.

The re-organization of the civil service in the Treasury Department.

Legislation as to the enforcement act.

The manner of settlement of judgments by the Court of Claims and the Supreme Court as to capture of cotton.

The section declaring that the General of the Army shall be permanently stationed in Washington and only removed by the advice and consent of the Senate, and directing all Army orders to go through the General of the Army, whether issued by the President of the United States or by the Secretary of War.

On the appropriation bill last year the rates on newspapers were doubled, to the great injury of those in the rural sections especially, and the rates on third-class matter were so increased as to take it from the mails and drive it to the express companies.

I mention these few to show the general character and wide scope of the legislation which has been put into appropriation bills, and beg to refer to the appendix hereto annexed, which will show the enormous mass of legislation of greater or less importance which has been from time to time during the past ten years fastened on such acts, relating as it does to almost every conceivable subject.

Again, Mr. Speaker, as a natural result of the prostration of all business, the revenues of the Government have diminished to an alarming extent, and the warning held out to us was one not to be disregarded, as it might turn out in the coming fiscal year, the reduction would be so great that the revenues would fall below the amount required to meet the expenditures of the Government. In this emergency it was absolutely essential to provide for reduction of expenses rather than entail any increase of our interest bearing debt or any addition to our present taxation. Nay, more; if the full measure of reductions recommended had been acceded to by the Republican minority in this House and the majority in the Senate, then, even with a falling revenue, the internal and other taxes could have been reduced to an extent of say $10,000,000, with comparative safety.

Before I leave the general discussion of these subjects and go to a detailed examination of the respective appropriation acts, I wish to direct public attention to what I deem some abuses in reference to expenditure which have gradually accumulated until they have become of dangerous proportions. Under existing laws we have a system of what is known as "permanent specific" and "permanent indenfinite" appropriations. They embrace among others the sum necessary to pay the interest on the public debt, the sum necessary to pay the interest on the bonds of the various Pacific railroads, and guaranteed by the United States, and the amount necessary to be paid in obedience to law to the sinking fund on account of the liquidation of the principal of the public debt.

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In so far as the foregoing objects are concerned I do not raise serious objections. Their provisions go to make easy the mind of the public creditor by the certainty of no hitch in the prompt and regular payment of our public interest. But the laws go further and include others which in my judgment should pass under the annual supervision of Congress, among which are the sums necessary to collect the revenues from customs, which is only limited as to amount of expenditures by the discretion of the Secretary of the Treasury, a power too great for permanent safety; for arming and equipping the military of the several States; the salaries and expenses of the southern claims commission; the return of the proceeds from the sale of captured and abandoned property to owners thereof; the commission to be paid to persons negotiating the refunding of the national debt ½ per cent.; the salaries and expenses of the steamboat inspectors; the refunding of money due to owners or reputed owners of cotton improperly seized after the 30th of June, 1865; allowances and drawbacks in the Internal Revenue Bureau; the refunding of illegal internal taxes; there payment of duties levied in excess from customs as well as debenture, drawbacks, bounties and allowances in the custom service. Most if not all of the latter character should have the frequent inspection of Congress and the people. I would suggest, therefore, at our next session, legislation to remedy these dangers. About $18,000,000 pass each year out of the Treasury under these heads, in excess of the amount paid on account of interest on the public debt and the sinking fund, which is an enormous sum to be under the control of executive offieers without check.

I shall now proceed to an examination of the several appropriation bills, in order of date as they were enacted in law.

PENSIONS.

Appropriations last year, $30,000,000; Department estimates for the year ending June 30, 1877, $29,533,500; recommendation of House Committee on Appropriations, $29,533,500; House passed $29,533,500; Senate Committee recommended $29,533,500; Senate passed $29,533,500; law as finally enacted, $29,533,500.

The respective Committe of the two Houses and both Houses of Congress agreed in the amount to be appropriated for pensions, which was in full as indicated by the estimate.

A pleasant incident in connection with this appropriation was the fact of its being in Committee and in the House in charge of a member of the Committee (Mr. Atkins, of Tennessee), formerly an officer in the confederate army and a member of the confederate congress. Such exhibitions give the denial to the political charge that the leading men of the South still bear any hostility to the Union, for he was scrupulous in seeing that no pensioner of the Union suffered in the least degree.

Many reforms are imperatively needed in connection with the distribution of pensions.

The Committee on Pensions recommended the transfer of the Pension Bureau from the Interior Department to the War Department, where it formerly was, as appears by their report, for reasons, among others, as follows: Pension Agencies which now cost annually $448,000, the Committee on Pensions report could be dispensed with, and twenty efficient clerks, divided equally among the four classes of clerks known to the law, at a cost of $30,000, could do the work as efficiently and with less delay than now occurs.

The work, if under the War Department, could be done in the main by the retired officers of the army, with one-half pay in addition to present retired pay of such officers, and the amount of pay saved would be quite one-half. At present more than one-half is done at the Surgeon-General's and Adjutant-General's Offices. Both these Bureaus now employ one hundred and sixteen persons on this work and an equal number of additional clerks, if duties were transferred to War Department, to wit, two hundred and thirty-two clerks in all would be ample; whereas the present force in the Pension Bureau is over four hundred; nearly three hundred over what economy and necessity require. The character of the work is in a measure judicial, requiring legal knowledge; and yet last year one hundred and twenty-eight enployés were discharged and ninety-six new appointments made—putting out experienced clerks and substituting for such men ignorant and inefficient persons in their stead. This was done mainly for political considerations. The truth is, as the evidence establishes, the Bureau is run as a political

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machine. Two clerks of the National Republican Congressional Committee of last year were entered on the pension-roll and paid from pension funds.

The War and Pension Departments being separate, there was required last year 56,000 duplicates of rolls from these two offices, requiring transmission by mail and messenger, which might all have been done in the same office. The fact is, the delays now incident to applications for pensions or increase of pensions, arise almost entirely from these separations of duty, causing years of delay to those least able to bear procrastination, and those, too, who never ought to be subjected to such annoyances and privations.

I will allude to another abuse and then leave this branch of my subject. The finance division of the Pension Bureau can be dispensed with all together, employing forty-eight clerks. This is set forth in Mr. Clark's testimony. In reply to a question whether that division ought not to be lopped off he said:

If the work in the Auditor's Office was up to date, the work in the finance division would be useless.

There cannot therefore be a reasonable doubt as to the economy to be gained and the general propriety of the transfer.

DEFICIENCIES.

Appropriations last year, $4,703,599.18; Department estimates for year ending June 30, 1877, $2,723,471.70; recommended by House Committee on Appropriations, $662,315.07; House passed $671,486.74; Senate Committee recommended $849,831.27; Senate passed $840,831.27; the law as finally enacted, $816,723.56.

I believe these deficiencies are less than usual and heretofore, because of the knowledge by the Departments that a democratic House was to be in authority this year, notice having been given last year by the then democratic minority of the Forty-third Congress that the practice of allowing large deficiencies would not be countenanced. The departments are, however, entitled to partial credit, for their estimates of deficiencies this year were considerably less than heretofore. The same rigid rule will be again applied, and the Departments must govern themselves accordingly.

FORTIFICATIONS.

Appropriations last year, $850,000; Department estimates for year ending June 35, 1877, $3,406,000; recommendations of House Committee on appropriations, $315,000; House passed $315,000: Senate Committee recommended $315,000; Senate passed $315,000; the law as finally enacted, $315,000.

This was a large comparative reduction, but I believe no material interests will suffer therefrom, either in respect to our fortifications or as to experiments to be made in the trial of armament or torpedoes. The largest sized guns of our recent war are now considered ineffective. Earth-works, experience has shown to be the best protection against artillery on land or iron-clads on water. The sums so lavishly expended since the war have not brought any adequate return in these respects. In the past ten years, up to and including this year ending June 30, 1876, we appropriated for these purposes more than $13,000,000, a large amount of which could as well have been saved by the same character of reductions which we have made this year.

NAVY.

Naval service appropriation last year, $17,001,006.40. Department estimates for year ending June 30, 1877, $20,871,666.40. Recommendations of House Committee on Appropriations, $12,808,655.40. House passed $12,432,855.40. Senate Committee recommended $16,167,855.40. Senate passed $14,857,855.40. The law as finally enacted, $12,740,355.40.

The appropriations for the naval establishment are largely reduced. It is a branch of the service where large savings can be prudently made. I need not allude at length to the sums heretofore expended and the manner of their expenditure. The department in its management has been thoroughly examined into by a committee of this House, and their findings are in print, which render a further criticism in this connection unnecessary. These reduced appropriations come up to the full measure of recommendations by the Naval Committee.

POST-OFFICE.

Post-office appropriations last year, $8,376,205; Department estimate for year ending June 30, 1877, $8,431,602.99; amount recommended by House Committee

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on Appropriations, $2,680,906; amount passed the House, $4,230,906; amount recommended by Senate Committee on Appropriations, $7,587,647; amount passed Senate, $7,288,647; the law as finally enacted, $5,967,498.

The reductions in this act arise mainly from the cutting off of the salaries of the higher class of postmasters, which have been confessedly too high, and the reduction of 10 per cent. on the amounts to be paid to the railroads for the transportation of mails, among which is what is known as the "fast mail." An erroneous impression prevails as to this latter service.

The fast mails were not provided for by law. Speed was not taken into consideration in determining the compensation. Weight and the number of postal cars were and are the elements in fixing the pay to railroads.

This extra line was first established less than a year ago by throwing an increase in the quantity of mail matter on these principal roads, thus increasing the number of postal cars, and with additional weight, causing an increased amount of payment to special roads. The compensation as fixed by act of March, 1873, was a very great increase over former rates. Prior to that time, $375 per mile on all lines was the maximum rate. Under that act the pay on some lines was increased to $705 per mile per year, and on the fast lines as high as $1,016 per mile per year.

This Congress has reduced the rates for railroad service generally 10 per cent. which is a moderate reduction. The compensation on star lines and steamboat service has been reduced far more than 10 per cent, since March, 1873: in fact from 10 to 40 per cent. The amount paid before the passage of the act of March, 1873, was considered high even for that period. The reduced price of every commodity which goes into the cost of running a railroad is far greater than 10 per cent. These roads have reduced the compensation to their employees, and together with a general shrinkage of value, it goes to show that the amount now fixed is comparatively higher than it was at the time the former rate was agreed to. I am indebted to the gentleman from Indiana [Mr. Holman] for these facts and conclusions; and any one who knows his care and accuracy in such matters will at once accept them as true and correct.

After all that can be said, the benefits of the fast mail are divided between the railroads receiving the increased pay and the newspapers of our great cities in the quick transit of their papers. In this day of telegraphing. the newspapers of the various cities of the Union are more on an equality in furnishing promptly the important news of the day, which renders continuance of these high raees unnecessary even for the people in reeeiving prompt public information.

The post-office appropriation act for the year ending June 30, 1876, raised the rates of postage on third-class mail matter, so as to take it from the mails and give the monopoly of its transportation to the express companies, while at the same time the postage on newspapers was doubled.

The latter imposition has been removed by the legislation of this year, but the first still remains a burden upon the people in behalf of the express companies, and is estimated as worth to those companies half a million dollars per annum in increased receipts from transportation of merchandise, &c. The House at every opportunity sought to accomplish full repeal of both provisions, but the Senate was obdurate, and refused to concede the repeal of the merchandise portion of the act.

ARMY.

Appropriation last year, $27,933,830; Department estimate for year ending June 30, 1877, $33,348,748.50; recommendation of House Committee on Appropriations, $23,155,077.12; House passed $23,179,819.52; Senate Committee recommended $27,717,877.20; Senate passed $27,715,877.20; the law as finally enacted $25,987,167.50.

The Army appropriation act does not show that extent of reduction which we intended and had reason to hope we should obtain at the opening of the session, because of our Indian troubles, and because of the determination of the Administration to keep a large force in the South. The House bill fixed the Army at 22,000 soldiers, relatively divided between the three arms of the service, and sought in addition to reduce the compensations of certain officers which were deemed disproportionate and too high. The manner of payment of these compensations is in some respects highly objectionable, rendering it almost impossible to compute with accuracy the pay received by officers of the Army. The Senate

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was resolute against all these changes, and the House was compelled to yield, and only succeeded in securing the following legislation:

SEC. 24. That the whole subject-matter of reform and re-organization of the army of the United States shall be referred to the commission hereinafter provided for, who shall carefully and thoroughly examine into the matter with reference to the demands of the public service, as to the number and pay of the men and officers and the proportion of the several arms, and also as to the rank, pay and duties of the several staff corps, and whether any and what reductions can be made either in the line or staff, in numbers or in pay, by consolidation or otherwise, consistently with the public service, having in view a just and reasonable economy in the expenditures of public money, the actual necessities of the military service, and the capacity for rapid and effective increase in time of actual war. The commission hereby created shall consist of two members of the Senate and two members of the House of Representatives to be appointed by the presiding officers of each House, respectively, of the Secretary of War, and two officers of the army, one from the line and one from the staff corps, to be selected by the President with special reference to their knowledge of the organization and experience in service. Such commission shall assemble as soon as practicable and proceed to the consideration of the matters with which they are charged, and make report to Congress by the first day of the next session through the President of the United States, with all the evidence, record or otherwise, which they shall have received and considered. And the sum of $1,000 is hereby appropriated from the contingent fund of the War Department to defray the expenses of such commission, to be expended under the direction of the president of said commission.

The result of the foregoing, it is believed, will ultimately remedy such defects. We felt that they were so glaring as to demand immediate change.

SUNDRY CIVIL BILL.

Appropriated last year, $26,644,350.09; Department estimates for year ending June 30, 1867, $32,560.475.29; amount recommended by House Committee on Appropriations, $14,626,981.74; amount passed the House, $14,857,326.54; Senate Committee recommended $18,501,601.24; Senate passed $19,956,496.99; the law as finally enacted, $16,357,905.47.

This act, which covers the sundry civil expenses of the Government, is that upon which it is attempted to ingraft all doubtful schemes and unnecessary expenses, which to any other general appropriation bill would be ruled out of order as not germane.

In reference to this particular act, the President of the United States saw fit, although approving the same, to send a message condemning the character of our reductions, I propose now, and here, with due respect to the Chief Magistrate, to inquire into the justice of his criticisms.

In the first place, he says:

Notably among the first class is the reduction in the ordinary annual appropriations for the revenue-cutter service, to the prejudice of the customs revenue.

This criticism is completely refuted by a plain statement of the facts, which show that the amount appropriated is in excess of the amount expended in the revenue-cutter service during the last fiscal year. The expenditures for the year ending June 30, 1876, were $842,000, and the appropriations for the year ending June 30, 1877, $874,891, the latter exceeding the former more than $30,000.

Next as to the amount given to continue the Signal Service. This service cost last year nearly a million dollars. It has grown to be an immense Bureau in its workings, and we think is extravagantly conducted. It draws its resources from three appropriation bills—the legislative, the army, and the sundry civil—and aggregates, as stated, $1,000,000. We are advised that the Western Union Telegraph Company can perform the same service with equal satisfaction to the public for one-half the money, and that the Company is willing to undertake it at that reduction. This, we understand, is also the opinion of many officers heretofore in charge of the War Department. Our reduction, in view of this statement, have been very moderate, amounting to $100,000 in the general expense provided for in the Sundry Civil bill, and of only fifty enlisted men in the army for this corps. At some of the stations the employés numbered as high as seven, and by careful revision of the force at the several stations this reduction of fifty men will hardly be felt.

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The criticism as to the mints evidently arose from want of knowledge of the amounts appropriated in the several bills. It would have been seen by examination that the amount appropriated for running the mints and assay offices was fully up to the necessities of the country, even taking into consideration the increased expense for coining sudsidiary silver recently authorized by law in substitution for fractional currency.

Now as to the objection urged to reductions of appropriations for the construction of public buildings throughout the country, and the building for the State, War and Navy Departments in the city of Washington. The policy which guided the House was to make appropriations this year for no building the construction of which has not yet commenced, and in making appropriations for those already begun to give a sufficient sum to finish and furnish those of smaller size, such as the custom-house at New-Orleans; the custom-house and post-office at Raleigh, North Carolina; the custom-house and post-office at Trenton, New Jersey; the custom-house and post-office at Port Huron, Michigan; the custom-house and post-office at Parkersburgh, West Virginia; the court-house and post-office at Lincoln, Nebraska, and the custom-house and post-office at Rockland, Maine, giving the balance which we deemed wise to appropriate in a moderate degree to the larger structures, so as to go on with the work slowly. The appropriation is two millions less than last year, when the appropriations for public buildings, new and old, were unusually extravagant.

As to the appropriation for new structure for the State, War, and Navy Departments in the city of Washington, it was under the same rule. The expenditures for this structure are made an exception, all the others being under the Supervising Architect of the Treasury Department, while this is under an engineer of the Army, General O. E. Babcock.

For the repairs and preservation of the navy-yards we gave $100,000 against $500,000 last year. We deemed that for the legitimate purposes of repairs proper at the different navy-yards and stations and the preservation of the same $100,000 is adequate, and believed the half million heretofore given was diverted to other purposes not properly chargeable to this particular service.

In reference to armories and arsenals the reductions, excepting one or two instances of no small amount, were those recommended by the late Secretary of War, Mr. Taft, in his communication to Congress revising the estimates of his predecessor.

In regard to the judicial expenses of the Government, reduction was made upon the recommendation of the Committee on Expenditures in the Department of Justice, and justified after thorough investigation by exposure of the most outrageous frauds upon the Government, perpetrated by marshals and other United States officers, the most flagrant of which were in the States of Arkansas and North Carolina. The justice and propriety of this reduction are undoubted.

The action of the committee concerning surveys of the public lands was taken after full conference with members on both sides of the House representing Western districts, as well as with Delegates from the Territories. The gentleman from Minnesota [Mr. Dunnell], when the bill came up first for consideration, used the following language:

There are many things in this appropriation bill referring to the public lands which meet my approval. I believe that we have appropriated a much larger sum of money in years past for the survey of the public lands than was needed, and I have said to members of the Committee on Appropriations that I believed there could be retrenchment and a saving of money in this direction at the present time, and while I represent a Western land State, I am very free to say that we may appropriate no more than is in this bill with a very good reason for the present year.

I do not believe that a single State or a single Territory will suffer practically by this reduction.

It is only necessary for me to add the further fact, that there are now 160,000,000 acres of the public domain surveyed and undisposed of.

The President further complained that we had impaired the efficiency of the light-house service. Reference to figures shows the complaint to be without foundation. The appropriation last year was $1,999,000, and for this year $2,018,600, the appropriation for this year being nearly $20,000 over that of last year.

Appropriations for light-houses, beacons and fog-lights were made after consultation with the proper officer having that service in charge, and we gave a sum sufficient, as we were advised, for all that was absolutely necessary during the

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fiscal year. There were some which were desirable for which we did not make appropriation, but they were not such as we thought to be demanded now.

Appropriations for the District of Columbia are generally included in this act, and I need not stop to give the reasons why we sought to be cautious in whatever we did. Past experience has shown such profligacy in the management of the affairs of this district that common justice to the people required we should surround all our appropriations with every possible safeguard.

We authorized an advance from the Treasury of the United States of the money necessary to meet the interest on the public debt of the District for the entire fiscal year; thus preventing any default of prompt payment like that which has heretofore occurred, although a portion of the debt had been reported by a committee of this House to have been illegally contracted.

We also appropriated for the various charities and charitable institutions within the District; authorized the repaving of Pennsylvania avenue, a proportionate share of the expense to be borne by the Government; provided for the payment of one-half the expense of the Police and Board of Health; and besides, allowed the government of the District to increase the temporary debt to the extent of over $400,000, so that no embarrassment should or is likely to occur. The appropriations for the year ending June 30, 1875, amounted to $2,962,251.11, almost all of which was exclusively for the benefit of the people of the District. The amount appropriated for the year ending June 30, 1876, was $1,865,136.43.

The implied statement by the President that the aggregate appropriations of the sundry civil bill are in amount not more than 65 per cent. of those heretofore made should command approbation rather than censure.

For life-saving and life-boat stations our appropriations are in excess of those made last year. We gave this year $237,460, while the amount appropriated last year was $231,580. Surely we cannot be charged with injuring this humane service of the Government when we have in this democratic House appropriated more than was appropriated by the previous republican House.

The appropriation for public printing and binding we reduce largely, on the recommendation of the Committee on Printing of this House, which established the fact of gross abuse and extravagance in the administration of that office. The amount asked for the current year was $2,296,056.56. The amount given last year was $1,665,507,66. The amount allowed this year, under advice of the Committee on Printing, is $1,133,737.50, about half a million dollars less than the appropriation last year. The report of this committee, to which I have alluded, clearly establishes the fact that this sum should have been sufficient to have done the work last year if the proper prices had been paid for material, and the running expense had been rightfully adjusted.

For the support of the National Home for Disabled Volunteer Soldiers we gave the exact amount asked, $668,733.44.

The appropriations for the sundry civil expenses of the Government for the year ending June 30, 1868, were $5,307,191.38. In 1870 they had crept up to $9,976,228.81. In 1872 they further advanced to $24,161,773.86. Finally, in 1874, they reached the enormous amount of $32,186,129. In 1875, when the distress in the country became so prevalent it could no longer pass unheeded, even in a Republican House of Representatives, we find there was a small reduction from $32,186,129 to $27,009,744.81; in 1876, to $26,644,350. We have reduced the sundry civil expenses this year below the appropriation of last year $10,441,780.01, appropriating only about one-half the amount appropriatad in 1874, being a reduction of about $16,000,000.

MILITARY ACADEMY.

Appropriations last year, $364,740; Department estimates for year ending June 30, 1877, $437,470; amount recommended by House Committee on Appropriations, $231,241. amount passed the House, $259,231; Senate Committee recommended $308,841, Senate passed $308,841, the law as finally enacted, $290,065.

There was in controversy between the two Houses the question of compensation to professors at West Point. The House deemed that in some instances, being over $6,000 per annum, they were higher than for similar services in civil life, especially when we take into consideration the fact that these professors, without encountering any of the privations, hardships and dangers of army life, are, when they reach a condition of impaired usefulness, placed upon the retired list, and receive three-quarters of their pay at the time they are retired. The Sen-

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ate demanded the question of this reduction should be remitted to the commission created to inquire into the reorganization of the army, and the House was compelled to accede thereto.

RIVER AND HARBOR BILL.

River and harbor appropriations last year, $6,643,517.50; Department estimates for year ending June 30, 1877, $14,301,100; amount recommended by House Committee on Appropriations, $5,872,850; amount passed the House, $5,872,850; Senate committee recommended $4,993,000; Senate passed $5,000,000; the law as finally enacted, $5,000,000.

This bill was not made up by the Committee on Appropriations, and therefore I have not that full knowledge which would warrant me in speaking of its details in comparison with previous bills with the same certainty that I am able to do concerning the eleven other appropriation bills. It is, however, a large reduction upon the amount appropriated last year for the same purposes, and an immense reduction, as will be seen by the foregoing figures, upon the estimates of the Department.

INDIAN BILL.

Appropriations last year, $5,360,554.55; Department estimates for year ending June 30, 1877, $5,787,995.60; amount recommended by House Committee on Appropriations, $3,905,771.27; amount passed the House, $3,979,602.11; Senate Committee recommended $5,206,861.27; Senate passed $4,958,361.27; the law as finally enacted $4,670,117.02.

The principle disagreement between the two Houses related to the transfer of the Indian Bureau from the Interior to the War Department. The House believed that the management of Indian affairs could be more economically and efficiently administered by Army officers already under pay than by civil officers, under whom had grown up a wide-spread system of peculation upon the the Indian as well as upon the Government. One of the grounds which induced the Indian to go to war against the white man was that treaty stipulations in reference to the delivery of subsistence and other supplies were not faithfully fulfilled. An army officer holding a life position dependent upon integrity and good behavior, and with a strong desire for promotion, which can only occur upon the active and faithful discharge of his duties, is more likely to execute the promises of the Government toward the Indian than the civil officer who comes in and goes out with every change of Administration. And the present double-headed system of dispensing subsistence and supplies to the Indians through the agency of civil officers, while restraining and keeping them at peace by the military army, has been proved by long experience to be not only enormously expensive, but without any adequate beneficial results either to the Indians or to the Government. The hand that feeds should be the hand to punish in case of wrong doing. Viewed as an economic question, we have General Sheridan for authority, and almost all of the officers who have come into collision with the Indians, to show that the opinion I here express is a just one.

There is a misconception as to the Army officer. He does not desire constant warfare with the Indians, for, while he has to undergo great privations and hardship, he at the same time endangers his life in battle with the Indians without that honor which attaches to warfare between civilized nations. Indeed, of all the people in the world, the Army officer has less to gain and more to lose by Indian hostilities than any other of our citizens.

The House authorized the transfer in the Indian appropriation bill, having previously passed a separate proposition on the same subject, which was transmitted to the Senate on the 25th of April last, but which the Senate never took up for consideration or discussion. Incidentally, however, they did discuss the clause in the Indian bill, and voted it down, upon the ground that it was a change of law upon an appropriated bill. We think the country had a right to expect from the Senate more consideration of this subject, and the House only yielded at last, when longer persistence would result in unlimited extension of the session without corresponding good.

The mismanagement now existing, although unfortunate, is well illustrated by the fact that the hostile Sioux are armed with better weapons than the troops put into the field against them. At this very session we have been compelled to pass a law prohibiting the Indian agents from further supplying to these hostile

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Indians improved arms and ammunition. I doubt neither the propriety nor the absolute necessity of the proposed transfer, and only regret to say the proposition has been defeated in the Senate more by indirection than by open opposition.

Let me pause for a moment to state a fact which carries with it its own commentary. While there are in the Army 26,000 men, 15,000 of them in the Military Division of the Missouri, embracing the whole Black Hills country where the recent fights and massacres occured, General Terry and General Crook have been left until lately to resist the combined hostile Indians under Sitting Bull with a force of less than three thousand men. We are now asked to add to the Army twenty-five hundred cavalry, when it must be apparent to the most casual observer that such addition is entirely unnecessary if the force was taken from where it is of no service whatever and transferred to where it is needed to win success to our arms.

I yet hope for the transfer at the next session, We have made reductions, even under its present inefficient management, of $700,000 or thereabouts.

CONSULAR AND DIPLOMATIC BILL.

Appropriations last year, $1,374,985 ; Department estimates for year ending June 30, 1877, $1,352,485 ; amount recommended by House Committee on Appropriations $922,847.50 ; amount passed the House, $912,747.50 ; Senate Committee recommended $1,341,657.50 ; Senate passed $1,341,647.50 ; the law as finally enacted, $1,158,579.50.

The House held that our diplomatic service was conducted with unnecssary expense and that the salaries paid to foreign ministers were excessive when contrasted with salaries paid to other governmental officials, while at the same time officers of the highest diplomatic rank were accredited to governments where chargés d'affairs with greatly reduced salaries would be equally efficient. The truth is that all important matters in controversy between this and foreign governments are to-day directly negotiated and adjusted through by the State Department at Washington, and therefore in many cases the position of foreign ministers is little more than a costly sinecure. Under what is known as the Orth bill, the salaries of these officers were increased, and that increase in a measure we have taken off.

It must not be forgotten that our ministers abroad are not valuable for any service they render to our commerce, but that, on the contrary, it is our consular system which is brought into direct contact with the American shipping, and therefore we would like to see that thorough revision of the consular system which secure its improvement and greater efficiency.

The claim because the consular system is not only self-supporting, but has an excess over receipts from the payment of fees, that therefore all the money received should be expended in the service, is about as just as to claim that the customs revenue and the internal revenue, because of receipts beyond expenditures, should likewise be administered with extravagance.

We have not secured the reductions we sought, and which we believe to be proper, but we have at least accomplished enough to reward us for the effort.

LEGISLATIVE, EXECUTIVE AND JUDICIAL APPROPRIATION BILL.

Appropriations last year. $18,902,236.99 ; Department estimates for year ending June 30, 1877. $20,836,307 ; amount recommended by House Committee on Appropriations, $13,009,807.61 ; amount passed the House, $12,998,815.61 ; Senate Committee recommended, $16,606,858 ; Senate passed, $16,635,338 ; the law as finally enacted, $15,373,960.

The great struggle of the session took place on this bill. I have already spoken of our plan of reduction, both as to the force and the salary of Government employés. The House sought to reduce both, while the Senate, with equal tenacity, resisted reduction either of force or salary. The result of the controversy is, that while we recommended twelve hundred and twelve reduction of clerks and employés, they have yielded but seven hundred and sixty-five, who are to go out of office on the 10th day of October. We agreed to make this reduction gradual, one-third on the 10th of September, one-third on the 10th of October, and one-third on the 10th of November ; but the Secretary of Treasury requested we should change it in the manner in which it has been finally agreed, to wit, that the entire reduction shall take place on the 10th of October.

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The House incorporated in this bill a clause repealing the increase of the salary of the President from $25,000 to $50,000 a year, providing that on and after the 4th day of March, 1877, the salary of the President of the United States be $25,000 per annum. The House saw nothing wrong in this, since both Houses of Congress at this session had passed a bill on the same subject to the same effect. The bill originated in the Senate and was returned to that body vetoed by the President. This salary was doubled when the salaries of Senators and Representatives were increased, and it was equally condemned by the people. The salaries of Senators and Representatives were restored to $5,000, but the Constitution intervened to prevent any reduction of the President's salary from $50,000 a year during his term of office. Therefore it was that in obedience to the will of the people, we provide for the restoration of the salary of the President to $25,000, beginning with the expiration of the present Presidential term. The Senate struck this clause out of the House bill, and the House conferees, unwilling to yield on this point, referred the subject to the two Houses. The Senate still adhered, and finally the House was compelled to yield.

This increase of the President's salary was originally made upon an appropriation bill which the President signed without demur, and the House saw a fitness therefore that the repeal of the obnoxious increase which the people so unmistakably condemned should be passed in a bill of a like character. When salaries are increased upon appropriation bills, there is no hesitation, no impropriety, no injustice, but everything is right and just and lawful; but when an effort is made to decrease salaries, and lighten the burden upon the tax-payers, then it is all wrong, and to be fought to the last extremity. I have the sincere conviction that the people will see this matter in its true light, and if we have gained nothing else in our retrenchment efforts, we have made a great step in advancing in favor of economical administration when we have attracted public attention to these crying evils.

The next point of difference was as to the compensation of Senators and Representatives. The House applied to the general rule of ten per cent. reduction, because it seemed only fair, when starting out to reduce all other salaries, we should first begin with our own. The Senate refused to yield, and the House conferees were equally firm, and the question finally was remitted to the House, and the decision was similar to that in the case of the President's salary.

It was urged on the part of the Senate that when the salary was reduced to $5,000 the franking privilege had been abolished, and therefore the charge upon Senators and Representatives for postage was about equal to the proposed 10 per cent. decrease. This at the time seemed proper to take into consideration; but since the House was compelled to yield, the Senate has restored the franking privilege so far as that body could. This action on their part certainly will not escape criticism.

The Senate refused to reduce, in any respect, the salaries of the higher departmental and bureau officers. They were willing to reduce the intermediate salaries—that is, of those between the higher positions and the three classes of clerks receiving $1,400, $1,600 and $1,800 per annum—and, on those changed, only consented to a reduction of 5 per cent., so that these intermediate salaries are the only ones which have been reduced in the Departments, under the operation of the bill as it was enacted into law.

Another effort in favor of reduction of expenditures was made by the House in reference to the employés and attachés of the two Houses. These expenses have gradually grown to very large sums, and are altogether disproportionate to what is fairly required by the needs of the service. Last year the Senate expenditures were $282,276.80. The House recommended a reduction to $170,840. The Senate Committee increased this to $245,648. The bill, as passed, appropriates, $273,520.80. The House expenditures last year were $378,975.70. The House Committee recommended a reduction to $295,948, which the Senate increased to $345,511.20. The bill, as passed, appropriates $312,028. The Senate claimed the right, which has been heretofore conceded, to have the exclusive control of the number and pay of their employés. The reduction, therefore, in the expenses of the Senate between this and last year is only a little over $8,000, while the House have reduced their expenses $67,000. The House were compelled to raise their expenses somewhat from the original recommendation, because of the great disparity which the Senate insisted upon in favor of the salaries of their employés.

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By a compromise arranged by the Conference Committee upon the Legislative, Executive, and Judicial bill, at the recent session of Congress it was agreed that the Senate and the House of Representatives should each be permitted to fix the number and pay of its own officers and employés. Below will be found the appropriations voted by each House, there being 301 members and delegates in the House of Representatives, while there are only 74 Senators. It will be seen that the expenditure of the Republican Senate for officers and employés is in proportion to the number of members four times greater than that incurred by the Democratic House for the same purpose.

COMPENSATION OF SENATE OFFICERS.

For Secretary of Senate and as Disbursing Officer	$ 4,896 00
For hire of horses and wagons	1,200 00
For Chief Clerk	4,000 00
For Principal Clerk	2,592 00
For Principal ex-Clerk	2,592 00
For Minute and Journal Clerk	2,592 00
For Financial Clerk	2,592 00
For Librarian	2,220 00
For seven clerks at $2,220	15,540 00
For one Clerk of Printing Records	2,220 00
For five clerks at $2,100	10,500 00
For Keeper of Stationery	2,102 40
For one messenger	1,296 00
For four laborers at $720	2,180 00
For one special policeman	1,296 00
For Chaplain	900 00
For Secretary to Vice-President	2,102 40
For Clerk to the Committee on Finance	2,220 00
For Clerk to the Committee on Claims	2,220 00
For Clerk to the Committee on Appropriations	2,500 00
For Clerk to the Committee on Commerce	2,220 00
For Clerk to the Committee on Judiciary	2,220 00
For Clerk to the Committee on Private Land Claims	2,220 00
For Assistant Keeper of Stationery	1,800 00
For Sergeant-at-Arms and Doorkeeper	4,320 00
For Assistant Doorkeeper	2,592 00
For Acting Assistant Doorkeeper	2,592 00
For Three Messengers acting Doorkeepers at $1,800	5,400 00
For Postmaster to the Senate	2,100 00
For Assistant Postmaster and Mail Carrier	2,088 00
For four Mail Carriers at $1,200	4,800 00
For Superintendent of Document Room	2,160 00
For one Assistant Superintendent of Document Room	1,440 00
For one Assistant Superintendent of Document Room	1,440 00
For Superintendent of Folding Room	2,160 00
For one Assistant Superintendent of Folding Room	1,200 00
For twenty-one Messengers at $1,440	30,240 00
For one laborer in charge of private passage	840 00
For chief engineer	2.160 00
For three assistant engineers at $1,440	4,200 00
For assistant engineer in charge of elevator	1,440 00
For fireman	1,095 00
For one fireman	1,095 00
To pay Wm. H. St. John, in charge of storeroom and doc. wagon	1,200 00
For eight laborers, skilled, at $1,000	8,000 00
For ten laborers at $720	7,200 00
To pay Kate Dodson, in charge ladies' reception room	720 00
Telegraph operator during session	400 00
Twelve laborers during session, at $720	8,640 00
Total	$170,802 80

For Contingent Expenses of the Senate, namely:

For stationery and newspapers	$14,250 00

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For twenty-eight clerks to committees, at $6 per day during session	20,328 00
For nineteen pages, at $2 50 per day while employed	5,400 00
For hire of horses and mail wagons	3,000 00
For materials for folding	4,000 00
For four folders, not exceeding $3 per day while employed	3,000 00
For fuel and oil for heating apparatus	10,000 00
For furniture and repairs of furniture	5,000 00
For packing boxes	740 00
For miscellaneous items, exclusive of labor	37,000 00
For reporting the debates and proceedings	25,000 00
For expenses of compiling and preparing Congressional Directory	1,200 00
For cartage	700 00
Total	$129,618 00
Grand total	$300,000 00

COMPENSATION OF HOUSE OFFICERS.

For Clerk of House of Representatives, and as disbursing officer	$4,500 00
For hire of horses and wagons for use of office	600 00
For chief clerk	2,500 00
For journal clerk	2,500 00
For one reading clerk	2,500 00
For one reading clerk	2,500 00
For one tally clerk	2,500 00
For one disbursing clerk	2,250 00
For one file clerk	2,250 00
Eor one printing and bill clerk	2,250 00
For one enrolling clerk	2,250 00
For one assistant to chief clerk	2,000 00
For one assistant to enrolling clerk	2,000 00
For one resolution and petition clerk	2,000 00
For one newspaper clerk	2,000 00
For one superintendent of document room	2,000 00
For one index clerk	2,000 00
For one librarian	2,000 00
For one distributing clerk	1,800 00
For one stationery clerk	1,500 00
For one document clerk	1,440 00
For one upholsterer and locksmith	1,440 00
For one chief messenger	1,440 00
For one messenger, assistant librarian	1,440 00
For one bookkeeper	1,600 00
For four clerks at $1,600	6,400 00
For one engineer	1,440 00
For two assistant engineers at $1,200	2,400 00
For five firemen at $900	4,500 00
For one laborer	820 00
For Assistant Doorkeeper	2,000 00
For clerk to Doorkeeper	1,200 00
For janitor to Doorkeeper	1,200 00
For Postmaster	2,500 00
For Assistant Postmaster	2,000 00
For four messengers at $1,000	4,000 00
For eight messengers during the session at $600	4,800 00
For four laborers at $720	2,880 00
For one telegraph operator	400 00
For one page at $2.50 per day during session	225 00
For one clerk to Com. of Ways and Means	2,500 00
For one messenger to Com. of Ways and Means	1,200 00
For one clerk to Committee on Appropriations	2,500 00
For one messenger to Committee on Appropriations	1,200 00
For one clerk to Committee on Claims	2,000 00
For one clerk to Committee on Public Lands	2,000 00

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For one clerk to Committee on War Claims	2,000 00
For one clerk to Speaker's table	1,800 00
For one private secretary to Speaker	1,800 00
For one Sergeant-at-Arms of the House	4,000 00
For one horse and wagon for his use	500 00
For clerk to Sergeant-at-arms	2,000 00
For paying teller to Sergeant-at-arms	2,000 00
For messenger to Sergeant-at-arms	1,200 00
For Doorkeeper	2,500 00
For Chaplain	900 00
For five official reporters at $5,000	25,000 00
For one stenographer for committees	5,000 00
For one stenographer for committees	5,000 00
For superintendent of folding room	2,000 00
For one clerk of folding room	1,800 00
For one clerk of folding room	1,200 00
For one clerk of folding room	1,200 00
For one folder in sealing room	1,200 00
For Superintendent in document room	1,800 00
For chief assistant in document room	1,800 00
For document file clerk room	1,400 00
For eight messengers at $1,200	9,600 00
For ten messengers at $1,000	10,000 00
For eleven laborers under superintendent folding room at $720	7,920 00
For ten laborers during session at $720	7,200 00
For one laborer	600 00
For one laborer	840 00
For one female attendant in ladies' retiring room	600 00
For fourteen messengers on Union soldiers' roll at $1,200	16,800 00
Total	$196,420 00

For Contingent Expenses, House of Representatives:

For twenty-one clerks to committees, at $6 per day during the session	$15,120 00
For materials for folding	8,000 00
For labor in folding books, speeches and pamphlets	7,000 00
For fuel and oil for heating apparatus	10,000 00
For hire of horses and mail wagons	4,000 00
For furniture and repair of same	5,000 00
For packing boxes	2,718 00
For cartage	700 00
For miscellaneous items	18,000 00
To pay outstanding indebtedness incurred by committees	3,000 00
For postage-stamps for Sergeant-at-Arms, Clerk and Postmaster	300 00
For newspapers and stationery	43,370 00
For twenty-eight pages, while actually employed	8,400 00
Total	$125,608 00
Grand total	322,028 00

One other valuable result accomplished is the enactment of a clause in the direction of civil service reform, prohibiting all officers or employés of the Government not appointed by the President and confirmed by the Senate, from requiring or requesting, giving to or receiving from, any other officer or employé of the same, or other person, directly or indirectly, any money, property or other thing of value, for political purposes; and any such officer or employé doing so shall be dismissed at once from the service of the United States, and also be guilty of a misdemeanor, and on conviction thereof, shall be fined in the sum of not more than $500.

I now append in tabular form a comparative recapitulation, from which it will be seen that between the appropriation of this year and last year we have made a reduction within a fraction of $30,000,000.

Mr. SPRINGER. I have made an estimate of the amount of money to each congressional district, and find that it would be $102,555.65. And I have also

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estimated the amount which this would save annually to the State of Illinois, the State which I have the honor in part to represent, and I find it would be $1,948,557.35, and my friend from New York, [Mr. Cox,] suggests that this would amount to an annual saving of $3,384,336.45 to the State of New York. Every gentleman can make the computation for his own State. This is a most important result, and when brought home to the people of each district, they will not fail to appreciate the fact. By the action of this House, through the efficient services of the Committee on Appropriations, an annual burden of $102,555.65 has been lifted from the shoulders of the tax-payers of each congressional district.

Mr. FOSTER. Is that the reduction on the estimates?

Mr. SPRINGER. That is the amount of reduction for each congressional district.

Mr. RANDALL. The amount is $102,555.65.

Mr. FOSTER. On the estimates or appropriations?

Mr. SPRINGER. On the appropriations actually made.

Mr. FOSTER. As against the estimates or appropriations?

Mr. RANDALL. I cannot yield further.

The re-appropriations in Army and sundry civil bills are added in our aggregates.

Early in the session, under provocation in debate, but after careful examination and close study, I stated it as my belief that the expenditures of the Government could be reduced from $30,000,000 to $40,000,000 without being prejudicial in any degree to an efficient administration of all governmental functions. At the time this was considered to be an exaggeration. Events, however, have demonstrated the correctness of the statement. And I regret to say that in our struggle with the Senate we have been compelled to yield to that body to the extent of $10,500,000 from the reduction proposed by the House Committee. In another year, we hope, and believe, the Senate, by the verdict of the people, will concur with us in that regard. And I here assert that, with a Chief Magistrate acting in harmony with the purpose of the present House, a further reduction can readily be made of $10,000,000, bringing with it no difficulties in the administration of the Government.

These facts and figures, Mr. Speaker, speak for themselves, and need no elaboration at my hands. Upon the result which they demonstrate we rest our claim of having earnestly and faithfully discharged our duty to the people in the way which they required when they sent us here. We have not reduced expenditures as much as they expected; but that we have not done so is no fault of ours.

One more suggestion and I will close. I believe the real, natural, safe, and permanent way to the resumption of specie payments is in the reduction of the expenditures of the Government to what is needed by an economical administration. Human foresight, in my judgment, cannot fix the exact hour or day when it shall take place. But, the truth is self-evident, if we save $20,000,000 or $30,000,000 or $40,000,000 a year, we do not only provide the means for a speedy resumption by the establishment of a rigid economy and just expenditure, but we establish that confidence which must inevitably precede the desired result. [Loud applause.]

The following are the tables referred to:

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Object.	From estimates.	From last year's law.
HOUSE COMMITTEE REDUCTIONS.		
Pensions		$466,500 00
Military Academy	$206,229 00	133,499 00
Consular and diplomatic	429,637 50	452,137 50
Fortifications	3,091,000 00	535,000 00
Legislative, executive and judicial	7,826,499 39	5,892,429 38
River and harbor	8,428,250 00	770,667 50
Deficiencies	2,061,156 63	4,041,384 11
Post Office	5,750,696 99	5,335,252 00
Naval service	8,063,011 00	4,192,351 00
Indian	1,882,224 33	1,454,783 28
Army	10,193,671 38	4,778,752 88
Sundry civil	17,933,493 55	12,017,368 35
Total	$65,865,869 77	$40,430,172 00

Object.	From estimates.	From last year.
HOUSE REDUCTIONS.		
Pensions		$466,500 00
Military Academy	$178,230 00	105,500 00
Consular and diplomatic	439,737 50	462,237 50
Fortifications	3,091,000 00	535,000 00
Legislative, executive and judicial	7,837,491 39	5,903,421 38
River and harbor	8,428,250 00	770,667 50
Deficiencies	2,051,984 96	4,032,212 44
Post Office	4,200,696 99	4,145,299 00
Naval service	8,438,811 00	4,568,151 00
Indian	1,808,393 49	1,380,952 44
Army	10,168,928 98	4,754,010 48
Sundry civil	17,703,148 75	11,787,023 55
Total	$64,346,682 06	$38,910,984 29

Object.	From estimates.	From last year.
THIS YEAR'S LAW REDUCTIONS.		
Pensions		$466,500 00
Military Academy	$147,405 00	74,675 00
Consular and Diplomatic	193,905 50	216,405 50
Fortifications	3,091,000 00	535,000 00
Legislative, executive and judicial	5,462,347 00	3,528,276 99
River and harbor	9,301,100 00	1,643,517 50
Deficiencies	1,906,748 14	3,886,975 62
Post Office	2,464,104 99	2,408,701 00
Naval service	8,131,311 00	4,260,651 00
Indian	1,117,878 58	690,437 53
Army	7,361,580 60	1,946,662 10
Sundry civil	16,202,569 82	10,286,444 62
Total	$55,379,950 63	$29,944,252 86

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COMPARATIVE RECAPITULATION.

Objects.	Estimates of the Departments for 1877.	House Committee on Appropriations recommended for 1877.	Amount as passed House for 1877.	Amount as passed Senate Committee for 1877.	Amount as passed Senate.	Law for the year 1877.	Law for the year 1876.
Pensions	$29,533,500 00	$29,533,500 00	$29,533,500 00	$29,533,500 00	$29,533,500 00	$29,533,500 00	$30,000,000 00
Military Academy	437,470 00	231,241 00	259,231 00	308,841 00	308,841 00	290,065 00	364,740 00
Consular & dipl'tic	1,352,485 00	922,847 50	912,747 50	1,341,647 50	1,341,647 50	1,158,579 50	1,374,985 00
Fortifications, &c	3,406,000 00	315,000 00	315,000 00	315,000 00	315,000 00	315,000 00	850,000 00
Legislative, executive and judicial	20,836,307 00	13,009,807 61	12,998,815 61	16,606,858 00	16,635,338 00	15,373,960 00	18,902,236 99
River and harbor	14,301,100 00	5,872,850 00	5,872,850 00	4,993,000 00	5,000,000 00	5,000,000 00	6,643,517 50
Deficiency	2,723,471 70	662,315 07	671,486 74	840,831 27	840,831 27	816,723 56	4,703,699 18
Post-Office	37,939,805 99	32,189,109 00	33,739,109 00	37,094,850 00	36,796,850 00	35,475,701 00	37,524,361 00
Naval service	20,871,666 40	12,808,655 40	12,432,855 40	16,167,855 40	14,857,855 40	12,740,355 40	17,001,006 40
Indian	5,787,995 60	3,905,771 27	3,979,602 11	5,206,861 27	4,958,361 27	4,670,117 02	5,360,554 55
Army	33,348,748 50	23,155,077 12	23,179,819 52	27,715,877 20	27,715,877 20	25,987,167 90	27,933,830 00
Sundry civil	32,560,475 29	14,626,981 74	14,857,326 54	18,501,601 24	19,956,496 99	16,357,905 47	26,644,350 09
Total	203,099,025 48	137,233,155 71	138,752,343 42	158,6226,72 88	158,260,598 63	147,719,074 85	177,663,327 71

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THE VIRGINIUS.

OUR FLAG TRAMPLED UNDER FOOT BY THE SPANIARD, AND DON HAMILTON FISH CAVES IN.

On the 26th of September, 1870, the steamer *Virginius* was registered in the Custom House at New York as the property of a citizen of the United States. Having complied with the requisites of the statutes, she cleared in the usual way for the port of Curaçoa, and on or about the fourth day of October, 1873, she sailed for that port.

It is not disputed that she made the voyage according to her clearage. It is also understood that she preserved her American papers; and that, when within foreign ports, she made the practice of putting forth a claim to American nationality, which was recognized by the authorities of such ports. When, therefore, she left the port of Kingston, Jamaica, on October 23, 1873, under the flag of the United States, she had, as against all powers excepting the United States, the right to fly that flag and to claim its protection, as enjoyed by all the regularly documented vessels registered as part of our commercial marine.

THE "VIRGINIUS" CHASED AND CAPTURED BY A SPANISH MAN-OF-WAR.

A few hours after the *Virginius* left Kingston she sprunk a leak, and put into the Haytian port of Caimit for repairs. She sailed from thence on the 30th of October, 1873, and, while between the islands of Cuba and Jamaica, about twenty odd miles from the coast of Cuba, she was chased by the Spanish war steamer *Tornado*, and captured about eighteen miles north of Morrant, on the east end of the island of Jamaica, about ten o'clock at night, the *Tornado* having fired several shots over her. The *Virginius* was then taken in charge by a boarding-officer of the Spanish navy, who stated that he did so on his own responsibility, knowing the *Virginius* to be an American vessel. *The American flag was forcibly hauled down and trampled under foot by several Spanish sailors, and the act seemed to receive the passive acquiescence of their officers.* The *Virginius* was then brought into the port of Santiago de Cuba on the first day of November, 1873, about five o'clock in the afternoon. There were 155 persons on board the *Virginius* at the time of her capture, 52 of whom composed the crew, the number of passengers being 103.

A DRUM-HEAD COURT MARTIAL—THE MURDERS BEGIN.

Upon the arrival of the *Virginius* at Santiago de Cuba, some hundred and odd of the passengers were brought to prison. Captain Fry and his crew were kept on board the Spanish man-of-war *Tornado*. A drum-head court martial was immediately organized for the trial of the prisoners, and, on the 7th of November, four of the persons who had been captured on board the vessel, one of whom—Colonel Ryan—was an American citizen, were shot to death. The execution of these four persons was forced on with indecent and barbarous haste, and in defiance of all humanity and regard for the usages of the civilized world. It was

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precipitated in advance of the knowledge of the capture reaching Havana or Madrid, *and it would seem to have been thus precipitated in cold blood and vindictiveness to intercept and prevent the interposition of any humane restraints upon the ferocity of the local authorities from the Government at Madrid or its representative in Havana.* In fact, from the moment the *Virginius* arrived at the port of Santiago de Cuba, General Juan Burriel, the Governor of that locality (who displayed a blood-thirstiness hardly to be expected in a human being), fearful of any interposition that might prevent him from carrying out his programme of blood, caused the telegraph wires between Santiago de Cuba and Havana to be cut, and withheld all telegrams from the American Consul at Santiago to the American Consuls at Havana and Kingston, announcing the capture of the *Virginius.*

It was by thus cutting off all communication with the outer world that Burriel was enabled to contribute another instance to the long catalogue of defiance of the home-government by those entrusted with authority in Cuba, and add another page to the dark chapter of bloody vengeance and cruel disregard of the rules of civilized war and of common humanity, which the military and other officials in Cuba have but too frequently made part of the history of Spain's government of its colony.

A WORTHY CONSUL.

Our Consul at Santiago, Mr. Schmitt, acted with commendable promptness, and, throughout the momentous period which followed, displayed unusual prudence, and endeavored his utmost, by courageous and emphatic protests, personal and by letter, to prevent the shocking murders that took place. As a part of this bloody drama, we append the following correspondence between Consul Schmitt and General Burriel, who has since earned the well-merited sobriquet of "Butcher."

THE AMERICAN CONSUL'S PROTEST.

[*Mr. Schmitt to General Burriel.*]

"UNITED STATES CONSULATE,
"*Santiago de Cuba, Nov.* 3, 1873.

"SIR:—I would most respectfully inform your Excellency that it has come to "my knowledge that the steamer *Virginius* which was brought into this port at "half past five o'clock P. M. on the 1st instant, convoyed by the Spanish war-"steamer *Tornado* as a vessel captured on the high seas, having on board a great "many passengers, besides the captain and crew, was cleared from Kingston, Ja-"maica, and as I understood that the said steamer sailed under the American "colors, I therefore, as the representative of the United States Government at "this city and port of Santiago de Cuba, went yesterday morning, at 9 o'clock "precisely, to the office of the Submarine Cable Telegraph Company to transmit "a telegram to the United States Consul at Kingston, Jamaica, asking the nation-"ality of the steamer *Virginius*, and if cleared under American papers, which "telegram was objected to and detained by your Excellency, as I had the honor "to communicate to your Excellency by my letter of yesterday, 2d instant, of "which I am surprised at receiving no reply relative to the subject, which, under "such pressing circumstances would be of great value to the numerous American "citizens concerned, and which answer I am anxiously awaiting.

"I would also beg your Excellency (not having received any communication "from any of the Spanish authorities, and particularly from your Excellency, of the "event), considering that I ought to have been notified, and also permitted to call on "the American citizens detained at the jail in this city, as well as the captain and "crew of the aforesaid steamer, to allow that I be admitted to the jail and on "board of the vessels where the latter are detained as prisoners, to enable me to "fulfill my duties as Consul, representative of the United States Government.

"I have, &c., E. G. SCHMITT."

ANOTHER APPEAL TO THE "BUTCHER" BURRIEL ON BEHALF OF HUMANITY.

[*Mr. Schmitt to General Burriel.*]

"UNITED STATES CONSULATE,
"*Santiago de Cuba,* November 3, 1873.

"SIR:—I would most respectfully inform your Excellency that until this hour, "half-past 6 P. M., November 3, I have not had the honor to receive any reply

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"from your Excellency to my official communications of 2d instant and of this "morning, referring to a telegram directed to the United States Consul at Kings- "ton, Jamaica, detained by your Excellency and not forwarded, and also to not "having received any communication from any of the Spanish authorities, and "particularly from your Excellency, of the affair of the steamer *Virginius*, which "was, according to the last reports published in the newspapers, and publicly "known in the neighboring island of Jamaica as a national American steamer, un- "der the flag of the United States of America, with all her papers and clearance "legally authenticated and sealed with the arms of the said United States; and to "my request to be permitted to call and communicate with the American citizens, "captain, crew and passengers of the aforesaid steamer, either in jail or on "board of the vessels in port, having to fulfill my consular duties as the repre- "sentative of the American Government, and according to the treaty between "Spain and the United States of the year 1795.

"And as I have not been in any way or manner attended to by your Excellency "in consideration of my reiterated requests in this matter, and not having ad- "mitted any of them, neither knowing what has been done as to the rights of the "American citizens as well as those of the captain, crew and vessel, in accordance "to the aforesaid treaty between Spain and the United States, article seventh, I must "respectfully protest, your Excellency, against the authorities and the Spanish "Government, as I, in the name and as the representative of the United States, do "solemnly protest against the Spanish Government, and all and every person or "persons, for their performances, irregularities, trials and condemnations that "may occur to any and every American citizen or citizens concerned, detained, "and imprisoned for all damages, prejudices, whether personal or otherwise, "which may happen to any and every one of the American citizens who were "on board of the American steamer *Virginius*, as well as to all interests or value "of the aforesaid steamer which may be claimed by her owners, or whomsoever "interested; all of which shall be transmitted to the Consul-General at Havana "and to the Department of State at Washington.

"I am, &c., E. G. SCHMITT."

THE "BUTCHER" BURRIEL'S REPLY—HIS RELIGIOUS MEDITATIONS.

[*General Burriel to Mr. Schmitt.*]

"POLITICAL GOVERNMENT OF THE
"EASTERN DEPARTMENT OF THE ISLAND OF CUBA.

"I have received your communications, one dated the 2d instant, and the re- "maining two others the 3d instant; the first inquiring if it was true that a "telegram had been detained by my orders, which you had addressed to the "United States Consul in Kingston, Jamaica, asking information as to the na- "tionality of the steamer *Virginius*, seized on the high seas as a pirate by the "Spanish war steamer *Tornado*. In my desire to correspond duly to the exqui- "site zeal which you show in this matter, I would have replied at once to your "communication, but as I received it precisely at the moment of important and "peremptory affairs, to which I had to devote myself exclusively; *further, the "past two days were holidays, upon which the officials do not come to the office, being "engaged, as well as every one else, in the meditation of the divine mysteries of All "Saints, and the commemoration of All Souls' days, as prescribed by our holy religion;* "consequently it was impossible for me, until early this morning, to comply with "your wishes as well as my own, to answer your communications.

"Upon doing so, I have to inform you that, although I regretted to do so, I "gave the order to the chief of the telegraphic station to which you refer to de- "tain your telegram, acting thus by virtue of the powers granted me by the "regulations, according to which this service is performed on this island, and "approved by government.

"Regarding the first of the two communications which I received yesterday "from your consulate, in which you are pleased to state your surprise at not "having received an answer to that of the previous day, and especially for not "having been called to the jail, nor notified of the capture of the pirate vessel, "which, as you have heard, was sailing under American colors, and the interests "of numerous American citizens therein concerned, you undoubtedly referring to "the so-called passengers of the *Virginius*, I have to state in reply that you "ought not to have been surprised at not receiving my answer, as much on ac-

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"count of the short period of time between one and the other communication, as "for the circumstances which prevented my doing so, as I have already stated.

"And as to being surprised at not having been notified, I regret on that account "the concern which you show, as although, in effect, the *Virginius* sailed under "American colors (a phrase not very intelligible for me, supposing you mean to "say that she sailed under cover of the flag of the nation you represent, as, in "this sense there are as many American colors as there are nations in both con-"tinents of the New World, and even in some of the islands), you will permit me "to say, in reply, that I could not, for my part, decide upon the act of notification "you desired. In the first place every one knows, for the fact was public and "notorious in Europe as well as in America, that the steamer *Virginius*, destined, "by its successive and numerous owners, to aid the insurrection in this island, "bringing to it, secretly and piratically arms, munitions of war, and men, was "accustomed to sail under all colors, making use of the national distinctions of "different nations, even those of Russia, China or Japan, according as their wicked "piratical plans might require, although more often covering themselves with the "respectable flag of the United States, inferring thereby, in my opinion and in "that of honorable men of all civilized countries, a grave insult to the noble na-"tion you represent, and whose liberality has been so abused by the said vessel. "Besides, as the vessel and her crew are now held to the action of a court, the only "competent authority to judge of the convenience, justice, and necessity of giv-"ing information to a foreign consulate concerning their proceedings, my au-"thority was and is not sufficient to decide on the convenience and necessity of "doing as you requested.

"Neither could I forsee your desire to repair with such haste to the jail where "the prisoners were incarcerated, much less that you desired to do so, showing an "officiousness so marked, when you had received from none of them any remon-"strance whatever, which they would have made at once, through my conduct, "if their conscience had permitted them to even suppose that they were innocent "and worthy of the protection of your vice-consulate, undoubtedly impelled "thereto on this occasion for unknown and suspicious purposes.

"These purposes, I may suppose, were only those of coming to the defense of "your countrymen if they were unjustly molested, or their lives or property in "danger, and such noble and honorable intentions would exalt your conduct; "but, as upon the occasion to which you refer in your communications, nor upon "any other, has there been any reasonable motive of complaint, or of alarm, to "be entertained by any foreign subject, principally North American, who has "observed the respect due to Spanish laws to the tranquility of the country, and "to the preservation of the public peace, conditions which every man of honor "should comply with in order to live in a foreign country, you will permit me to "state, also, that, although in the crew and among those whom you call passengers "by the *Virginius* there may be one or more American citizens, the mere fact of "being found in company of the most conspicuous chiefs of the insurrection "which desolates this island would be sufficient, if it were not known that some "of them, erroneously supposed to be of the former, were comprised among the "latter-named, would be sufficient for them to lose, in conformity to international "law, all kind of protection whatever from the countries from which they came, "because these countries, if they insist upon defending criminals of this class, "will incur in the responsibility, at least moral, which the law is in duty bound to "exact of them.

"Furthermore, you may address to whomsoever you please all the protests "you deem necessary, as you state and do in your third communication, as I am "satisfied, on my side, that the same are and will be unfounded for the fact to "which you refer in your three communications. And so unfounded are they "that Mr. O'Ryan, for whom you came in person to speak with me and obtain "permission to witness the will he desired to make as a North American citizen, "as you stated and incorrectly assured me, has himself confessed he was a British "subject and born in Canada.

"Such conduct, especially after you were advised by the fiscal that Mr. O'Ryan "was an Englishman, obliges me to apply to the Government and propose that "your *exequatur* to perform the duties of your vice-consulate may be withdrawn, "as an officer who addresses protests so slightly founded, and who after that at-"tempts to surprise the intention of the Spanish authorities, accustomed to act "with the rectitude and loyalty known by all, cannot help compromising the honor

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"of the country he represents and being the cause of vexatious questions between "friendly nations which should mutually respect each other.

"*God preserve you many years.*

"CUBA, 4 November, 1873. JUAN N. BURRIEL."

THE AMERICAN CONSUL'S REJOINDER.

[*Mr. Schmitt to General Burriel.*]

"UNITED STATES CONSULATE,
"*Santiago de Cuba, November* 5, 1873.

"SIR: I have had the honor to receive your Excellency's communication of "yesterday's date, the contents of which fill me with surprise and profound re- "gret that my previous dispatches to your Excellency and motives which caused "them, should have been so misconstrued by your Excellency as to lead even to "personal imputations upon my character.

"In this country, as in every other, even the greatest of criminals have lawyers "assigned to their defense, without, in the event of their condemnation, the repu- "tation of such lawyers suffering therefrom, and I, who represent a foreign "country here, have an absolute duty, when I hear that any of the citizens of that "country are in any trouble, to the last extremity afford them all alleviation "or consolation as lies in my power, and a right to do so without identifying "myself with the citizens in question and their actions or opinion, or exposing "myself to the suspicions and insinuations of your Excellency.

"Your Excellency's communication barring me from all interference on behalf "of my fellow citizens, I must beg your Excellency will, at all events, allow me "to proffer a few remarks in my own defense.

"I should have been the last person to disturb the important duties of your "Excellency, *and the religious meditations which your Excellency's subordinates were "indulging in, had it not been that I considered the case a pressing one*, and imagined "that where there was sufficient time to censure and detain my tele- "gram there might have been also time for a few lines of explanation, with the "additional motive of my second dispatch, that I observed that the circumstances "which your Excellency enumerates were no hinderance to the dispatch of other "business connected with the steamer.

"Due to a misconception, though not a maltranslation, my meaning with regard "to colors has not been correctly conveyed to your Excellency. I used the word "in its acception of flag, and not with reference to the different distinctive shades "which form the national emblems of countries.

"I shall, therefore, abstain from saying anything further on this point than "that it seems to me, considering that the *Virginius* was flying the United States "flag at the time of her capture, that she claimed to be a United States merchant "steamer, and her papers as such were surrendered by her captain to the board- "ing officer from the steamer *Tornado*, it would have been a delicate attention on "the part of your Excellency to have informed me thereof, and that the use of "such flag and papers was an abuse on the goodness of the country which I rep- "resent, in order that I might have brought the same to the notice of my Gov- "ernment, and have been spared the necessity of telegraphing to Jamaica, and "the disagreeableness to which said telegram has given rise.

"As regards the protest I directed to your Excellency, my duty to cover my "responsibility, in case of a reclamation, was so manifest, and a protest is not "subsequently authorized by such reclamation—so entirely inoffensive—that I "cannot for a moment suppose your Excellency can take exception to my action "in this matter.

"With regard to my interview with your Excellency, when I asked permission "to see O'Ryan, and when your Excellency's treatment of me in your Excellency's "own residence was not what I should have expected from the amiability and "hospitality of your Excellency, as your Excellency's remarks contain a personal "imputation on my character, accusing me of an intention to take your Excel- "lency by surprise and obtain an undue advantage by dishonorable means, I can "only deny most emphatically even having harbored such intentions, or attempted "to put them in execution.

"Finally, I note your Excellency's intention to apply for the revocation of my "exequatur, and while ignorant of any cause given by me therefor, I can only as- "sure your Excellency that my conscience being perfectly clear in the question,

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"and having acted honorably, and as I considered for the best, the result of your "Excellency's application is to me a matter of profound indifference..

"I have, &c., E. G. SCHMITT."

"BUTCHER" BURRIEL'S MENDACITY.

[*General Burriel to Mr. Schmitt.*]

"POLITICAL GOVERNMENT OF THE
"EASTERN DEPARTMENT OF THE ISLAND OF CUBA.
November 7, 1872.

"I have received your communication of the 5th instant, in reply to that from "this Government of the previous day, relative to those you had already addressed "me, regarding the capture of the pirate vessel *Virginius*. I am sorry at "having caused you the profound regret you mention in consequence of my reply "or the interpretation which you say was given to your communications, for which "no fault can be imputed to me, as I did my duty just as you purposed to do yours "in the matter. The interpretation given to your dispatches could be no other as "officially and in writing, and investing the act with a solemnity which could not "be allowed to it, you addressed yourself to this Government, making inquiries to "which you could have verbally been answered had you pleased to call on me in "person, because the matter was very plain, and, in my opinion did not deserve "the honor of a dispatch, unless you did so purposely, endeavoring to give it more "importance than it really had. After your first communication making the in-"quiry to which I refer, you addressed me two others on the same day, exact-"ing explanations regarding affairs, the gravity of which could not but impose "upon me the most prudent reserve ; and as you were desirous of obtaining with "unnecessary haste a reply which could not then be given, you became alarmed en-"tirely without reason, and protested against my conduct, against the actions of "the courts who had charge of the matter to which you refer, and this without "possibly knowing or being informed what was such action. As I am dis-"posed to receive at my office any person claiming the aid of the authorities, es-"pecially the Consul and Vice-Consul, resident in this city, you will understand "that the means of which you endeavor to avail yourself were not the most suitable "to induce belief in the sincerity of your acts, for if you had called upon me "and verbally set forth your doubts and apprehensions, I would have been pleased "to attend to your wishes within the limits of prudence and convenience, which "my office and the present circumstances impose upon me.

"Far from having put any impediment to the defense of your citizens residing in "this city and in all this department, in no wise have I prevented you from doing so, "limiting myself to my communications to express the surprise which your per-"sistent officiousness caused me, asking to interfere in affairs to which no one had "called your assistance and which did not treat of citizens of the United States "who might be under the protection of your vice-consulate, but of chiefs, rebels to "the Spanish government, of armed men who came to swell the ranks of the insur-"gent parties of this island, and of the crew of a steamer seized on the high seas as a "pirate, and subject by this act alone to the immediate action of the courts of jus-"tice, in accordance to the laws regarding piracy ruling in this island and of "which you are undoubtedly informed.

"If the marine court which tried the pirate crew had had the slightest doubt as "to the status of the vessel, and had it not considered itself absolutely and exclus-"ively competent to try it, the same court would have addressed you through my "official medium, or some one of the prisoners would have done so, if all of them "had not been confessedly convicted of the crime of piracy. All these explana-"tions you could have obtained, as I have before stated, if, with the desire to be "out of doubt, you had called upon me ; but the way in which you addressed me "and the expressions you used, could not but otherwise make me believe in a desire "on the part of your vice-consulate to give the question a character of gravity it did "not possess.

"No one, therefore, has objected to your making the defense of your citizens ; no "one has excluded you from any interference in favor of your citizens ; no one has "interpreted your words in a sense different to their meaning, as that of 'the Amer-"can colors' was taken to mean the North American flag, as you afterward stated; "and, finally, no one has considered himself, with any moral authorization what-

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"ever, to believe that the steamer *Virginius* was a merchant vessel, which lawfully "used the United States flag, as her character as a pirate was public and notorious "all over the world; consequently, your communication, to which I now reply, "however flattering the explanation you give to your acts, has no foundation re- "specting the interpretation you are pleased to give to my phrases and to the con- "duct I have observed in this motive.

"As to the reception I gave you at my residence, when you called to see me, "after addressing me three communications, you will excuse my saying that the "reception I made you was as polite, respectful and affable as usual, and so much "so, you cannot forget that I granted you the permission that you asked for, to "witness the execution before a notary of the will of M. O'Ryan in the belief "on my part that you had, if not the absolute certainty, at least the moral con- "viction that he was a citizen of the United States and that you had been called "for by him, understanding you were the consul of his nation. But as you said "this in my presence, after being told at the jail, whither you had repaired before "seeing me, by the fiscal of the case, the best informed person in the matter, and "been assured that Mr. O'Ryan was not an American citizen, but an Englishman, "according to his own declarations, which circumstance you concealed from me, "through inadvertence or otherwise, it was then that I felt obliged, by my posi- "tion, by the dignity of my office, and by the importance of the concession I "had made, in virtue of assertions which had already been answered officially by "proper persons, to express the surprise your conduct caused me, which might be "all the loyal you could wish, but which appeared suspicious, as wanting in cin- "cerity and frankness, and you could rest assured that if you had asked me-in a "private and friendly manner to see Mr. O'Ryan or any other of the prisoners, "permission would have been granted in the act, as was done to various persons; but, "exacting officially, and in demand of a right which did not exist, it was impos- "sible such could be granted. This is all I have to say in reply, reserving to his "Excellency, the superior political governor, the decision respecting the revoca- "tion of your exequatur, which I have asked for, much more when this is so "indifferent to you, as you state as to the contrary I should have a real feeling of "regret, as aside from the question which occasions these replies, I have ever en- "deavored to keep up with you as with the rest of the consular corps most "respectful and cordial relations.

"*God preserve you many years.*

"Cuba, November 7th, 1874.

(Signed,)

"JUAN M. BURRIEL.

"*The United States Consul in this City.*"

THE MURDER OF CAPTAIN FRY AND HIS CREW.

On the 7th of November Captain Fry and thirty-six of the *Virginius* crew were executed, and on the 8th and the next day, sixteen passengers suffered death. On the day before his death, Capt. Fry addressed the following note to the American Consul at Santiago:

"SIR:—I have made several ineffectual efforts to communicate with you, and "am at a loss to understand why the agent of a Government as powerful as the "United States should not at once communicate with the master of an American "vessel, captured on the high seas, in times of profound peace, by a Spanish man-of- "war. I desire that the papers of the *Virginius* should be examined by you, and the "facts and incidents of her attempted voyage noted and communicated at once by "telegraph to the Government, as it may serve to save future complications between "the Governments of Spain and the United States.

"I am, &c., JOSEPH FRY,

"*Master of the Steamship 'Virginius,' now a prisoner "in the Spanish Man-of-war 'Tornado.'*"

An hour or two before death, Capt. Fry, upon oath, made a declaration, which concluded as follows:

"*I have been refused officially all chances of application or appliance to my Consul "for protection, and I have been condemned to death with the greatest part of my "crew, under no known public law or pretense, and I have only time to make this appeal, "being hurried in my preparations for death.*"

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MORE INSULTS TO OUR FLAG.

Capt. Fry is also understood to have written a private letter to the Secretary of State, wherein he informed that functionary that he died without a country or a home. On the day of the execution of Capt. Fry and his crew, two Spanish soldiers and a corporal were stationed at the door of the American Consul's house, without any previous notice having been given of such an intention on the part of the authorities. Against this fresh indignity the Consul protested, but his protest has probably shared the fate of every other indignity heaped upon the American flag in Cuba. In a letter by Hamilton Fish to Gen. Sickles, under date of Nov. 12th, 1873, we are informed that our State Department had heard nothing of the capture of the *Virginius* until the evening of the 5th, and the first intimation that it received of the execution, on the 4th, of the four persons who had been captured on board of the *Virginius*, was on the 7th, when Mr. Fish immediately called the attention of Gen. Sickles to the atrocity and ordered him to request the Home Government to order its subordinates in Cuba to cease these murders.

WORDS ! WORDS ! WORDS !

We have neither space nor inclination to follow Mr. Fish in his prolonged diplomatic correspondence with Gen. Sickles, and the correspondence of Gen. Sickles with the Spanish Minister of Foreign Affairs, Mr. Carvajal, with respect to this latest indignity upon the flag and the honor of our country.

SECRETARY ROBESON SEIZES THIS OPPORTUNITY TO DISTRIBUTE $6,000,000 AMONG THE NAVY "RING."

For the first few days after the perpetration of this outrage, and whilst the popular excitement in the United States was at its height, and the public voice called for immediate vengeance upon the assassins, Secretary Robeson pretended to be exceedingly busy in his preparations for war, and, without any authority, spent nearly six millions of dollars in equipping a navy that was worthless beyond all hope, and placing it upon a war footing! As the reader will observe, by reference to our sketch upon the Navy Department, published elsewhere in this book, the greater part of this money spent by Mr. Robeson went into the pockets of the parasites of the Navy Department. Mr. Robeson knew very well that we had a navy only in name at that time, which could not cope with the Spanish iron-clads, and that the expenditure of these vast sums of money was entirely useless and unnecessary. We had no ship that was fit—in the language of Admiral Porter—"either to fight or run away." The attention of the reader is directed to the testimony of Admiral Porter, published in our chapter on the Navy Department.

A SHAMEFUL SIGHT.

The Administration did not dare to go to war in vindication of its honor, and its negotiations for a settlement with the Spanish government were conducted with a cowardice which was both contemptible and degrading, and has made the United States the laughing-stock of the world ever since.

It was fortunate for us that Spain was at that time torn by intestine strife, and that Cuba was also harassed by an insurrection; otherwise, it is doubtful whether we would have secured the favorable terms we did. It was also a lucky thing that at the head of the Spanish Government in that crisis was Don Emilio Castelar, who has always been a sincere friend of the United States, and who realized the fearful predicament in which Don Hamilton Fish was placed.

We ought not to omit stating the fact that very early in the diplomatic negotiations, Don Hamilton Fish, dreading that General Sickles might not manage matters in the same cowardly and cringing manner as himself, assumed full charge of the discussion and opened the correspondence directly with the Spanish Minister at Washington. It was owing to this circumstance that General Sickles resigned his post at Madrid within a few days after the preliminary settlement of the difficulty terminated.

A HALF LOAF, &C., &C.

At length, on the 29th of November, after innumerable cable dispatches and long letters between the two Governments, a *protocol* was signed between Admiral Polo, the Spanish Minister at Washington, and Don Hamilton Fish, by which Spain stipulated to restore the *Virginius* immediately, together with such passen-

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gers and crew as had not been murdered, and to salute the American flag on Christmas Day following. But the latter event depended upon the contingency that, if it should be proven to the satisfaction of the Government of the United States that the *Virginius* was not entitled to carry the American flag, and was carrying it at the time of her capture without right and improperly, the salute was to be dispensed with. The first part of this arrangement, that is to say, the delivery of the *Virginius*, was faithfully complied with, but the event was attended with great excitement in Cuba, and it was only after repeated truckling proclamations by the Captain-General of Cuba to the Spanish volunteers that the *Virginius* was finally surrendered.

HOW THE UNITED STATES CAVED IN.

The second part of the agreement contained in the *protocol* was waived, as it was probably intended it should be at the time the *protocol* was signed. On the 17th of December, 1873, Attorney-General Williams addressed a letter to the Secretary of State, from which we append the following extracts:

"Assuming the question to be what appears to conform to the intent of the "*protocol*, whether or not the *Virginius*, at the time of her capture, had a right as "against the United States to carry the American flag, I am of the opinion that she "had no such right, because she had not been registered according to law. Spain "undoubtedly has a right to capture a vessel with the American registry and car- "rying the American flag, found in her own waters assisting or endeavoring to as- "sist the insurrection in Cuba, but she has no right to capture such a vessel upon "the high seas upon the apprehension that, in violation of the neutrality or navi- "gation laws of the United States, she was on her way to assist said rebellion. "Spain cannot rightfully raise that question as to the *Virginius*, but the United "States may, and, as I understand the *protocol*, they have agreed to do it; and, "governed by that agreement and without admitting that Spain would otherwise "have any interest in the question, I decide that the *Virginius*, at the time *of her "capture, was without right and improperly carrying the American flag.*"

Upon receipt of this opinion of the Attorney-General, which was doubtless manufactured to order, Secretary Fish informed the Spanish Minister that the United States waived the salute to its flag as agreed upon in the *protocol*. So ended this part of the settlement.

$80,000 FOR 53 LIVES.

Upon the employment of Mr. Caleb Cushing as Minister to Spain, our Government entered a claim for the pecuniary relief of the persons who had been murdered at Santiago de Cuba. After months of diplomatic correspondence the Spanish Government paid the sum of $80,000 in full satisfaction of the 53 lives that were taken from on board the *Virginius*, an American ship, sailing under the protection of the American flag.

The number murdered are as follows:

On Nov. 4th, 1873	----------	4 persons.
" " 8th, "	----------	12 passengers, including Capt. Fry.
" " 13th, "	----------	37 of the crew.
Total executed	----------	53.

The total survivors of the crew were 15, and of the passengers 87, who were surrendered at the same time as the *Virginius* and conveyed with that vessel to the port of New York.

A MARKED CONTRAST—SALONICA.

In bold contrast to Secretary Fish's pusillanimous foreign policy in this affair, and every other, except the Venezuela matter, in which he was very plucky, stands the murder of the French and German Consuls at Salonica in Turkey. Those two officials suffered death at the hands of an infuriated mob, whose acts the Turkish Government could not control. No sooner did the intelligence of this assassination reach the powers represented by the two Consuls than there almost immediately appeared in the bay of Salonica a fleet of German and French men-of-war. Satisfaction was demanded instantly, and seven of the murderers, which number was all that could be identified, were at once immediately tried and sentenced to death. The marines and sailors from the French and German men-of-war were disembarked and marched to the place of execution to witness the death of the murderers, and, lastly, the Turkish Government was compelled to pay to each of the Consul's families $100,000. That is the way that powerful nations make themselves respected.

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JOBBERY IN GRAVESTONES.

EVEN DEAD SOLDIERS ARE VICTIMIZED BY REPUBLICAN SHARKS.

It was seen, or widely suspected, when an appropriation was made by Congress of a million of dollars for the erection of headstones at the graves of soldiers buried in the national cemeteries, that behind this pretence of patriotic gratitude there lurked a currupt possibility or purpose. Like Joseph Surface in the play, the Republican leaders had taken so strongly to "moral ideas" and superfine sentiment while simultaneously robbing the Treasury and laughing aside at the people who trusted them, that it was thought when they cried out for a profusion of marble to point the ashes of departed valor, to which the country really owed a dedication and a tribute, that their concern was not so much lest the soldier should be forgotten, as that they might not forget themselves. The event has justified the expectation, as is shown by the testimony taken before the Committee on Military Affairs of the House, and the accompanying Report, submitted by unanimous consent, the Republican members themselves concurring.

Proposals for the furnishing of these stones were invited by advertisement, and the bids opened in the office of the Quartermaster-General. Instead of the contract having been given as a unit to the lowest bidder, and instead of the lowest bid having been accepted, the former was divided and distributed according to the caprice of the Secretary of War, General Belknap, and the latter was passed over in behalf of an arbitrary personal preference exercised by that functionary. Contracts for material and work subject to the same specifications were also awarded in the lettings to different parties at varying rates, without warrant of law, in injury alike of the Government and of honest competition. Changes in the details as they were at first exacted were also subsequently made by the Secretary, both as regards the dimensions of the stones and the amount of lettering, in the interest of the favored recipients. Bridges, who as a bidder, was not entitled to any portion of the contract, but who was preferred was a fellow-townsman and particular friend of General Belknap's. From such an arrangement it is impossible to exclude the imputation of venality. But a few months have passed since a mercenary grasp was laid upon these graveyards, and the Secretary himself is festering in his shroud.

It was, indeed, however it may revolt, eminently fitting that a party whose policy and knavery had inordinately augmented taxation, while palsying industry—which had robbed the infant in its cradle by taking the father's bread, which had set the haggard impress of perplexity and want upon the brow of manly toil, and diminished the widow's cruse—should not hesitate, as an insatiable scourge of the living, to enlarge its field of operations by an alliance with Death itself.

The following is the unanimous report :

The Committee on Military Affairs, having taken the testimony of various witnesses in the matter of contracts to furnish soldiers' head stones, report:

That Congress having appropriated $1,000,000 for the erection of soldiers' head-stones at the graves of soldiers buried in national cemeteries, the Quarter-

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master-General, on the 27th of June, 1873, invited proposals to furnish these stones in an advertisement, from which the following is an extract:

PROPOSALS FOR HEAD-STONES FOR NATIONAL MILITARY CEMETERIES.

"WAR DEPARTMENT, QUARTERMASTER-GENERAL'S OFFICE,
Washington, June 27, 1873.

"*Provided,* That the head-stones required by an act entitled 'An act to establish and protect national cemeteries,' approved February 22, 1867, and the act amendatory thereof, approved June 8, 1872, shall be of durable stone, and of such design and weight as shall keep them in place when set, and the contract for supplying the same shall be awarded by the Secretary of War, after sixty days' advertisement in ten newspapers of general circulation, to some responsible person or persons whose samples and bids shall in the greatest measure combine the elements of durability, decency, and cheapness; and the sum of one million dollars is hereby appropriated for said purpose out of any money in the Treasury not otherwise appropriated; and the Secretary of War shall first determine for the various cemeteries the size and model for such head-stones, and the standards of quality and color of the stone to be used, and bids shall be made and decided with reference thereto; and contracts may be made for separate quantities of such head-stones; and the contracts made under this act shall provide for furnishing and setting all the head-stones, and shall not in the aggregate exceed the sum hereby appropriated."

"The total number to be furnished is estimated at 253,088. For the known, 147,694; for the unknown, 105,394.

"Specifications describing in detail the standard fixed by the Secretary of War can be had on application by letter to this office, where, also, a specimen will be placed on exhibition within a few days.

"The proposals should be in sealed envelopes, marked, 'Proposals for head-stones for national military cemeteries,' and addressed to the Quartermaster-General of the Army, in whose office they will be opened, in the presence of bidders, on Saturday, September 6, 1873, commencing at 11 o'clock A. M.

"By order of the Secretary of War.

"M. C. MEIGS.
"*Quartermaster-General, Brevet Major-General United States Army.*

On the 6th of September, 1873, the various bids to furnish head-stones were opened at the Quartermasters-General's office.

The following is a schedule of the bids coming within the terms of the advertisement:

Number of slabs, 147,694. Number of blocks, 105,394.

	Slabs.	Blocks.	Total cost.
C. M. Howell	$5 00	$2 42	$999,998 00
D. C. Sage	3 93	3 93	994,146 54
Walsh Bros	4 65	2 90	994,146 54
D. V. Howell			983,079 39
Brandon Marble Company	3 89	3 89	973,861 35
J. Parker	3 85	3 85	970,154 75
J. W. Detta	4 25	3 25	960,000 00
Walsh Bros	3 65	3 65	923,271 15
Samuel G. Bridges			900,000 00
T. P. Morgan	3 40	3 40	860,033 40
Charles S. Jones	3 39	3 39	857,503 89
Knoxville Marble Company	3 50	2 65	796,154 75

For some reason not explained, the contract was not awarded until the 17th of November following, a period of nearly two and a half months after the bids were opened. The award under the provisions of the law was not made by the Quartermaster-General, who superintended the advertising, the receiving and opening of bids, but by the then Secretary of War, General Belknap. General Belknap did not give the contract to the lowest bidder. The Knoxville Marble

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Company's bid was $796,154.75, being $61,349.14 less than any other bid. Although this was the lowest bid, and one that was deemed within the terms of the advertisement for proposals by the Quartermaster-General, the Secretary of War, in the exercise of his discretion, ruled this bid out, because the color of the marble did not suit him. This ruling of the Secretary of War against the bid of the Knoxville Marble Company cost the Government $61,349.14.

Walsh Brothers, of New York, claimed to be the lowest bidders for the contract. Their bid was $923,271.15 for the work. They proposed to use Italian marble. The duty on the Italian marble they claimed would be over $200,000, and as this duty would be paid to the Government, they claimed that they would only receive for the work $723,271.25.

BELKNAP'S CONTEMPT FOR CONGRESS.

The ruling out of this bid by the Secretary is best explained in the testimony of Mr. Walsh, (page 47,) which reads:

"Q. Where were the lettings conducted? A. The bids were opened in the Quartermaster-General's office, and those of the bids that were entertained were sent to the Secretary of War. The Quartermaster-General recommended my specimens of marble as being the best inside of the appropriation, and I was given to understand that he sent a letter to the Secretary of War to that effect. The Secretary of War told me that General Meigs recommended my stone as being the best. Sometime afterward I went to see General Belknap, and asked him how it was that I did not get the contract, and whether he found any fault with my ability to perform it, or my security. He said no. I told him that if he did I would furnish him with real estate security to the full amount of the contract. He said that that was not the trouble, but that the President had told him that he should not have foreign stone over the heads of American soldiers. I asked the Secretary whether the act of Congress barred foreign stones, and he said he did not care anything about the act of Congress, he would hold himself responsible."

Charles S. Jones, whose proposal complied with all the requirements of the advertisement, was the next lowest bidder for the entire work; his bid was $857,503.99. The next lowest bidder was T. P. Morgan, being $860,033.40. The next is the bid of Samuel G. Bridges, of Keokuk, Iowa; this was a bid in gross for the entire work of $900,000, being $40,000 more than Morgan's bid, $43,000 more than Jones's, and $100,000 more than the bid of the Knoxville Marble Company.

Among the bidders was D. C. Sage, whose bid for the entire work was $994,146.54. Mr. Sage bid to furnish the slabs at $5 each, and the blocks for $2.42 each. The Secretary awarded Mr. Sage a contract to furnish all the blocks at $2.42 each. He awarded to Charles S. Jones a contract to furnish 49,597 slabs at $3.39 each; to Morgan a contract to furnish 49.597 slabs at $3.40 each, and to Bridges a contract to furnish 48,500 slabs at $3.56 each.

Why Mr. Bridges should receive a contract for about one-third of the slabs at $3.56 each, when Mr. Morgan only got $3.40 for the same slabs, and Mr. Jones only $3.39, is a matter unexplained by either Mr. Bridges or any of the witnesses examined, but it is just to say that the Secretary of War was not examined before this committee.

Why the contract was not given to the lowest responsible bidder, as the law required, and why the contract for the slabs was given to three different persons, at three different prices, who were not the lowest bidders, the testimony does not explain, and justifies the conclusion that the awarding of these contracts was unfair and illegal.

A CONTRACTOR'S MISTAKE.

Mr. Charles S. Jones, the lowest bidder for the entire contract (except the Knoxville Marble Company), to whom a contract for about one-third of the slabs was awarded, says:

"On the 27th of October, 1873, nearly two months after the opening of bids, I received a communication from the Acting Quartermaster-General of the Army (a copy of this letter is appended, marked 'A'), desiring to know whether I would agree to furnish about one-fourth the total number of slabs required in the cemeteries at the same price each for which I had in my bid of September 6th offered to furnish both slabs and blocks for the entire work? Now, I had averaged both the slabs and blocks as to price (as had most of the bidders), knowing full well that, while very little would be made at my price on the former, there was a considerable margin of profit on the latter.

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"Could I have anticipated any such division of my proposal it would have been stated at $4.39 for slabs and $2.39 for blocks; but supposing that, as in all such cases, the aggregate in dollars and cents would be the controlling element in a final award of the contract, I averaged the bid for the two descriptions of work as a mere matter of convenient calculation. Three days before the receipt of this letter from the Acting Quartermaster-General, namely, on the 25th of October, D. C. Sage, one of the bidders, who was then in the city, informed me that he was authorized to state that I would only be given a portion of the work, and if I did not accept what was offered I would not be allowed to have any of it.

"Notwithstanding this, regarding the proposition contained in the letter just referred to as being grossly unjust and inequitable, as well as in violation of my legal rights as the then lowest bidder for the whole work, four days thereafter, viz., on the 31st of October, I addressed a letter to the Quartermaster-General's office (a copy of this letter is appended, marked 'B'), in effect declining it. On Tuesday, November 4, 1873, about 11 A. M., I was standing on Seventeenth street, near the northwest corner of the War Department, awaiting a friend from the direction of Georgetown. Turning my eye in an opposite direction, I saw Mr. Sage and another person enter the War Department inclosure at the north gate, and upon reaching the main door under the portico they were met by Secretary Belknap, who received them very cordially, and the three walked together out of the inclosure to the avenue, and eastwardly, until I lost sight of them.

"About 1 o'clock P. M., same day, Mr. Sage, whom I did not at the moment see, hailed me as I was passing along the north side of F street, near Fifteenth street, opposite the Treasury Department. After the exchange of a few friendly salutations, he asked me how things were going on in regard to the head-stone contracts? I replied that it was impossible to tell, as everything in that line seemed very much mixed. 'So I understand,' said he, 'since coming here this morning, and I hear that Secretary Belknap is very much embarrassed on the subject, hardly knowing what to do.' He then proceeded to express his great regret that I had not accepted the offer contained in the letter of the Acting Quartermaster-General of October 27, evidently having a full knowledge of it before meeting me. He stated that, if I did not ultimately accept it, I would be altogether excluded from the work; but that if I would reconsider my determination, and accept the same, he would pay me as high as $15,000 in cash upon its being assigned to him, and the same amount to Mr. Morgan for his part. This I agreed to do; and on the same day addressed a letter to the Secretary of War (a copy of this letter is appended, marked 'C') withdrawing my letter of October 31, preceding, and signifying my acceptance of the proposition of the Acting Quartermaster-General, dated October 27, 1873. I stated the conversation alluded to, within an hour after it occurred, to Mr. T. P. Morgan, of this city, who will verify what I say in respect to it."

THE GOVERNMENT GETS THE WORST OF THE BARGAIN AS USUAL.

This awarding of the contract, as shown by the testimony, was unfortunate for the Government, unfair to bidders, and surrounded by circumstances that indicate collusion between the Secretary of War and the successful bidder, Bridges. An impression seems to have prevailed among bidders before the opening of the bids that the letting was not to be a fair one; that it was the intention to give the contract to S. G. Bridges, of Keokuk, Iowa, a man of slight pecuniary responsibility, of no knowledge of the marble business, never having been in it, a jeweller by trade, and a friend of the Secretary, Upon this subject Charles F. Benjamin, Chief Clerk in the Southern Claims Commission, says in his testimony (page 68):

"Mr. Eagleson and his partner, Mr. De Vean, had been here several times in the interim, on their way to and from the South, where they had a large business with marble-dealers there, and generally stopped in to see me. They desired to go into the bids the second time. There seemed to have been a great deal of gossip in the meantime, and they were in doubt as to the sincerity of this thing. They told me that they had spent a great deal of money to get information on which to make their former bids; that they had to write to all the transportation companies in the country, and spend money to get friends to go and get information about the location of the cemeteries, and so on, and they were not disposed to go into it a second time unless there was going to be a contract given, nor unless it was going to be given out fairly. I told them that, so far as General Meigs

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was concerned, I was satisfied that it would be fairly done; and that, as I was quite intimate with the Secretary of War, I would go and see him and tell him frankly just how they felt about this thing, that they would like to go into it, but wanted to be assured that it was going to be a fair thing."

JOBBERY AND BRIBERY.

Again, this witness says (page 69):

"What they feared was that there was to be jobbery and political influence, bribery, and all sorts of things of that kind, About a couple of days before the bids were opened, one of them came to me and said that he had been over to Baltimore the night before, on the New York train, and on the train he saw the Secretary of War, and a man named Bridges, who, he was told, was from Keokuk, and he said some stone-men had said that Bridges was on here with reference to this contract. I said, 'I don't think that can be. Why, Bridges is a jeweler at Keokuk; he has got nothing to do with the stone business.'"

There is some proof tending to show that Bridge's bid for the work was deposited after a part of the bids had been opened; and in this connection the Committee refer to the testimony of John M. Wright, viz. (page 20):

"Q. Were you present when those bids were opened? A. I was.

"Q. And that bid of Bridges came in after the other bids were opened? A. It is my impression that it did. I know that one bid came in, and I am under the impression that it was this one from the color of the envelope. Mr. Bridges and myself then walked toward the Ebbitt House. He said that they could not do anything against that bid; that it was all right; and he invited me to go up to his room in the Ebbitt House, which I did. He then showed me specimens of marble which he had obtained from quarries in Vermont, together with the prices with which the parties had agreed to furnish him with the stone; and then he showed me the amount of work he had done in preparing his bid, showing that he had made abbreviations of names, ranks, regiments, and States, and that he had made close calculations on the lettering. He also showed me a letter, which he claimed was sent by the Secretary of War, in which the Secretary consents that certain abbreviations of names and ranks shall be made. He showed me, also, other letters, which he claimed to have received from the same source on the same subject, or, rather, he showed me the envelopes that inclosed them. This occurred on September 6, 1873. Mr. Bridges professed to be an intimate acquaintance of the Secretary of War, and said that he had seen him frequently on the subject.

"Q. Did he intimate to you that he knew that he was going to receive the contract? A. He intimated to me that he thought he would—that he was certain of it."

But this statement is explicitly denied by Mr. Bridges; and Captain McGonnigle, who superintended the reception of bids, has not been examined before the Committee.

The evidence shows that the Secretary of War retained the bids for two and a half months before he made any awards: that he divided the contract into four parts among bidders who did not stand on an equality of price, which the committee believe he was not authorized to do; that he gave as an excuse therefor that one person could not perform so large a contract, although the fact appears that Bridges did buy out all parties to whom contracts were awarded, and thus obtained control of all the work; that he accepted Bridge's bid, and allowed him more money for his contract than he allowed two other parties for the same character and quantity of work; that after the contracts were let, modifications were made in the lettering and shape of the stones very decidedly in the interest of the contractors; that the original contract, which provided that all work in a cemetery must be completed before any money could be drawn on it, was so modified as to allow contractors to draw 60 per cent. as soon as $5,000 of material was delivered to a cemetery.

THE DEMOCRATIC HOUSE UNEARTHS THE FRAUD AND $200,000 ARE SAVED THE U. S.

The conclusions of most moment to the public service to which your committee have arrived are the following:

"*That the awarding of the contracts for head-stones referred to were made in violation of law, and show a disregard of official duty.*

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"*That the contracts were not awarded to the lowest responsible bidder, as required by law.*

"That the separation or division of the contract, and the awarding of parts of the same to different contractors at different rates, claimed to have been done by the Secretary of War, in the exercise of discretionary power, is not warranted by any law, and that such discretion was assumed without right, to the prejudice of the Government and the injury of binders.

"That some of the inspections appear to have been corruptly made, and the inspector who made them was unworthy of trust, and the committee are informed that he has been dismissed.

"That the changes in form and dimensions of the head-stones, without a corresponding change in the price, have been made by the Secretary of War after the work was commenced, in the interest of the contractor, and in the judgment of the committee, constitute an abuse of official power on the part of that officer.

"In conclusion, your committee find that the awarding of the contracts appears to have been unfair, unjust, and in violation of law, and to have been decided without any proper consideration of the rights of bidders, and with the special purpose to give a portion of the contract to Samuel G. Bridges, of Keokuk, Iowa, who, under his bid, was not entitled, to the contract, nor any part of the same; that this Samuel G. Bridges, who figures in the evidence as the friend of the Secretary, purchased all of the contracts that were awarded to others; that he was not a man of sufficient pecuniary means to carry out this contract alone, and without large assistance from other persons.

"Your committee further find that the assignees and attorneys of Bridges, who in fact, are now performing the work, are responsible and trustworthy men, and are finishing the work speedily, and so far as your committee can learn, in a workman-like manner.

"Your committee further find that when the work shall have been completed there will be left of the appropriation $200,000 to be covered into the Treasury.

"The Secretary of War, Hon, J. D. Cameron, having on the 25th day of July, 1876, issued an order, under the law passed by this Congress, transferring the entire management of national cemeteries and the head-stone contracts to the Quartermaster-General of the Army, who has returned to duty since this investigation commenced, and the committee having entire confidence that under the management of this officer the work will be prosecuted rapidly and properly, and the rights of both the Government and the contractors protected, do not deem it necessary to offer any resolutions for the consideration of the House, either in regard to the conduct of the officer criticised, or the annulment of the contract."

H. B. BENNING,
WM. TERRY.
J. M. GLOVER.
A. S. WILLIAMS.
A. A. HARDENBERGH.
JOHN REILLY.
PHILIP COOK.
C. D. MACDOUGAL.
H. B. STRAIT.
S. A. HURLBUT.

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THE PENSION FRAUDS.

THE FUNDS FOR THE RELIEF OF THE WIDOWS AND ORPHANS OF DEAD SOLDIERS APPROPRIATED BY REPUBLICAN POLITICIANS.

The pension service of the United States, if faithfully administered, is one of the most beneficent of the Departments of Government. In the hour of the Nation's peril, by Congressional enactment, a promise was made to each patriot soldier before he entered the ranks of his country's army, that if he should be disabled in the service in the line of his duty, he would receive a pension from the date of his discharge; or if he died in the service, those dependent on him, and whom he loved, would become the wards of the Nation, and be provided for by a grateful country. To sacredly keep this promise is the wish of this great people. But, under the present Administration, the lust for office and the greed of gain have frustrated the purpose of the Nation, and diverted funds that should have gone to the needy pensioner to the maintenance of party supremacy and to the greedy office-holder. In the year 1866, with a clerical force of one hundred and seventy-five, over fifty thousand original pensions were adjudicated and granted. At that time integrity and efficiency were characteristic of the Pension Bureau. The will of the Nation was obeyed, and the needy poor received their dues. In the year 1875, with an average clerical force of four hundred and twenty, only about twelve thousand eight hundred original cases and their equivalent in case of increase, were adjudicated and granted. In 1866 about 284 cases were disposed of by each employé. In 1875 each employé only averaged about thirty-one cases. As the office is now conducted the delays and annoyances to which the applicants are subjected are most unreasonable and unjust.

THE PENSION BUREAU A LABYRINTH OF RED TAPE.

Arbitrary rules and inconsistent and unreasonable decisions make this Bureau a labyrinth, from whose intricate maze no mortal can, unless by accident, escape. The system "how not to do it" has nearly been perfected here. Why this should be can only be accounted for on the theory that it is the policy of the administration to prevent the disposal of the claims, in order that its nu merous employés, who are principally the political protegés of the Republican politicians, shall not be thrown out of employ. As the whole number of cases pending is only about 66,000, and if they were disposed of at the rate they should be, there would not be work for more than one year, and the half regiment of employés would be discharged. Besides, in the little progress that is made, injustice is often the result, in consequence of the inexperience of those engaged in the work. Between the 4th of March, 1875, and the 3d of February, 1876, one hundred and twenty-eight employés were discharged to make room for ninety-six new ones. Between the 1st of May, 1875, and the 1st of July, 1876, four different incumbents have occupied the position of Commissioner

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of Pensions. Mr. Baker, the first of the four, having been closely pursued for the reckless use of the funds of the office, resigned to receive another appointment under the Executive in the Territories, where his eccentricities might be less observed. Mr. Atkinson, the second, after he had sworn before the Invalid Pension Committee of the House, that, in pursuance of a custom of the office, he had carried two clerks of the Republican Congressional Committee on the pay rolls of the office, and paid them out of its funds, in following of the precedent of the late Secretary of War, resigned, and was by the Executive promptly rewarded with the more lucrative and congenial position of Surveyor-General of Minnesota. The third, Mr. Gill, so far as is known was guilty of nothing more criminal than imbecility, and could only be returned to the obscurity of private life. The fourth, Mr. Bently, has but recently assumed his official duties. There is conclusive evidence of the maladministration of the office, in

THE DIVERSION OF THE PUBLIC MONEY FROM THE PENSIONERS.

This has been shown in three different ways. As an illustration of the first, it has been the custom of the office in late years to pay the clerks of the Republican Congressional Committee out of its funds, as is established by the testimony of John Stiles and Mr. Atkinson, taken before the Committee of Invalid Pensions of the House, on the 15th day of February, 1876.

H. M. ATKINSON, ex-Commissioner of Pensions, examined:

Q. Do you know General Stiles? A. Yes.

Q. Was he an employé in the Pension Bureau last Summer? A. Yes, sir.

Q. Was he not Clerk of the Congressional Committee last Summer? A. He was employed by that committee. I believe.

Q. Did he not spend the greater part of the Summer attending to the duties of clerk of the Congressional Republican Committee? A. That I cannot say; he was not in the office the entire time.

Q. Was he not out of the office nearly the entire time? A. That I cannot say, from the fact that I had no immediate supervision over him.

Q. Did he not draw pay regularly from the Pension Office? A. I suppose he did; I cannot say whether he did or not.

Q. Do you know William Caffrey? A. Yes.

Q. Was he in the employment of the Pension Bureau at that time?—A. Yes.

Q. What work did he do?—A. He was employed by the Congressional Committee, and, by the verbal directions of the Assistant Secretary, he and Mr. Stiles were so assigned, as that was customary, as I understood, by all parties, and hence was not considered improper.

Q. And while he was on that he drew his pay from the Pension Office? A. Yes.

Q. For what length of time? A. I think from June to September.

Q. How much did he draw during that time? A. $100 a month. I do not know, but it was only up to August, he was on it two or three months.

JOHN STILES sworn and examined:

Question. State whether you were in the employment of the Pension Bureau last Summer? Answer. Yes, sir.

Q. From what date to what date? A. From the first January, 1875, right through the year.

Q. During the Summer what were you doing? A. During a portion of the Summer I was detailed on special duty.

Q. Were you not clerk of the Republican Congressional Committee? A. I was writing for the Committee,

Q. How much of your time did you consume in writing for the Republican Congressional Committee? A. I think from the 13th May to the 4th or 5th November.

Q. During all that time you were working for the Republican Congressional Committee under a detail from the office? A. Yes, sir.

Q. How much salary did you draw? A. I drew my usual salary—$1,200 a year.

Q. After the 4th of November were you not promoted from the Pension Bureau to a clerkship of a higher grade in the Interior Department? A. Yes, sir.

Q. And you are holding that now? A. Yes, sir.

Q. At whose instance were you detailed as clerk to the Republican Con-

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gressional Committee? A. The order came to me, I think from Mr. Atkinson. It came in the form of a telegram for me to report to Mr. Atkinson, and I believe it was signed by him.

Q. How much did you receive from the Republican Congressional Committee? A. $50 a month, in addition to my regular salary.

Q. What salary do you get now? A. I am paid at the rate of $2,000 a year,

The second mode has been to add to the pay rolls employés who are doing only nominal or useless labor, as appears from the testimony of Mr. Clark, the chief clerk of the Bureau, who confessed that the finance division, in which forty-eight clerks are employed, would be useless if the Third Auditor's office should keep up with its work.

O. P. J. CLARK sworn and examined:

Q. Is not the whole Finance Division of the Pension Office, in your judgment almost or altogether useless? A. I should think not.

Q. What is the utility of it? Is there not an duplicate of its books kept in the Third Auditor's office? A. While they do the work of the Third Auditor's office, there is, in addition to that, much other work. That is to say, the Finance Division consists of forty-eight clerks, but they are not all on the finance work of the office.

Q. If they were on the finance work of the office would not that, in your judgment, be useless labor? A. I hate to say yes or no to a question like that.

Q. Give us your best judgment. Ought not that division to be lopped off? A. If the work of the Auditor's office was up to date, the work of that division would be useless.

INFORMATION FROM THE DEPARTMENT TO PERSONS IN COLLUSION WITH THE OFFICE.

The third mode has been to furnish information from the Department to persons in collusion with the office, by means of which false and fraudulent Bounty Land Claims are passed. As an illustration of this class, in less than one year about 2,300 fraudulent bounty land warrants were issued, besides a large number of fractional warrants, thereby depriving the rightful soldier claimants of over four hundred thousand acres of land, as appears by the testimony of Mr. Lackey and Mr. Seaton. These among other illustrations are sufficient to establish the fact that th ebeneficent and just uses of this Bureau are perverted, and a department which of all others should be administered with integrity, is made only to pander to the greed of the corrupt official and his unscrupulous parasites while the meritorious and needy soldiers of the Republic

E. A. HARDING examined:

Q. Do you know of one Chapman having been in the Pension Bureau, and being sent out as a special detective to Maine? A. Yes, sir; that is J. C. Chapman, who is in the Patent Office now.

Q. What did he do when in Maine, in the special detective service? A. I know nothing only by report.

Q. What was the report? A. The report was that he caused to be struck from the rolls a large number of pensioners; or, rather, caused a suspension of a number of pensioners at the agencies of Augusta and Bangor, Maine. I heard that. That is all I know about it.

Q. Of those that he caused to be struck from the roll, or suspended, how many were reinstated? A. I know nothing about it only from rumor.

Q. Was the number large or small? A. From recollection, I believe I understood it was 45 at one agency, and 75 at the other.

Q. Was it not charged that there was a pension attorney who took this man around and got these cases suspended? A. Well, not exactly so.

Q. He went with him and struck them from the rolls? A. No, no; that he was with the attorney.

O. P. J. CLARK, Chief Clerk, examined:

Q. Do you know Mr. Richards? A. Yes.

Q. What work does he do? A. Mr. Richards has been a sort of general utility man; he is an apt clerk and is qualified for almost any position.

Q. Does he do any actual work? A. I would not say whether he was a good worker or not, for the reason that I am unable to state.

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Q. Does he not spend a good share of his time around the Capitol and amusing himself generally? A. I cannot tell you, because I have no means of knowing it.

Q. He has no specific duties assigned him? A. No. I do not think that I can say that he is an examiner or anything else.

AN EX-GOVERNOR OF NEBRASKA AS PENSION AGENT.

H. M. ATKINSON, Commissioner of Pensions, sworn:

Q. Did you appoint a detective from Nebraska who had been once Governor of that State? A. Yes.

Q. What was his name? A. R. W. Furniss.

Q. Did he not solicit you to appoint him in order that he might have an opportunity to travel? A. No, sir; Governor Furniss had been in good circumstances, but he was unfortunate in his business. The grasshoppers swept his nursery and destroyed his property. He was in actual destitution, and, out of consideration for him, I appointed him to the duty of special agent.

Q. Did he know anything at all about the business to which he was appointed prior to his appointment? A. No, sir; but he soon learned it, and he made an excellent agent.

Q. What pay did he get per month? A. He drew at the rate of $1,600 a year.

Q. Traveling expenses in addition? A. Yes.

Q. Is he still in the employment of the Pension Bureau? A. Yes; he is still an agent.

Q. Did he state to you that he would like to have an opportunity to travel in the United States? A. I do not recollect; perhaps he may have; I expect he did; I have no doubt that he did, and he has had a very good opportunity as special agent.

Q. You have now got 393 clerks there, while the appropriation authorizes but 365? A. Yes.

Q. Why did you not comply with the law? What was the difficulty? A. The only difficulty was the pressure for office.

Q. Did not the rolls on 30th June show four hundred and twenty persons in the office? A. It is possible they did.

Q. How many hours do the clerks there work? A. Originally they worked from nine to three; that continued up to the 1st November, but now they work from nine to four.

It might be supposed that an administrative department like that of Pensions, conceived in patriotic gratitude and dedicated to honorable benevolence, would escape the chicanery and corruption which, under the existing Republican régime, have attached to our more sordid politics. That it has not been kept untainted is made abundantly and painfully manifest by testimony taken before Committees of the House of Representatives, touching the Pension Agencies at Chicago and Macon, Mo.

In all the teeming fraud of these bad civic times, there is, indeed, nothing more disreputable than the disclosures produced by the Chicago investigation. They begin with a vulgar bargaining for influence in the procuring of office, and end with a dastardly conspiracy to ruin the daughter of a dead and distinguished soldier. The experiences of Miss Sweet in her relations with Republican office-holders read like the villainous plot of a very villainous French novel.

INFLUENCE WITH GRANT SOLD FOR $2,500.

The contract for influence to procure an appointment, as it has precedence in point of time, may be first considered. In the year 1869, it appears that General B. J. Sweet, a meritorious officer, severely wounded in the war, now deceased, was a candidate for the position of pension agent at Chicago; and that George W. Campbell was also a candidate for the same office. That J. Russell Jones, then Marshal for the northern district of Illinois, and afterwards Collector of the Port of Chicago, was the person principally relied on by Campbell to procure his nomination. That the friends of General Sweet sought to secure Mr. Jones' supposed powerful influence for their candidate. That Jones promised his influence to Sweet if the latter would agree to appoint George W Campbell as clerk, at a salary of $2,500 per annum; and, finally, that Sweet accepted the offer, and was appointed pension agent, and did, in fact, appoint George W. Campbell clerk

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at the rate stipulated for, the employment continuing for nearly a year. At the end of about eleven months, Sweet and Campbell made a new arrangement, by which Campbell was to receive $1,500 per annum, and do no duty in the office. The very circumstance of such an arrangement evinces Sweet's appreciation of the clerical worthlessness of Campbell, discloses a fear that he might exert a treacherous espionage, or reveals the reluctance of a generous mind betrayed into mercenary artifice to be associated daily with its visible reproach. It may be additionally mentioned that the chief clerk in the office earned and received but $1,500 a year. Campbell was continued in this pseudo-employment until the removal of General Sweet from the office. Here was a position of high responsibilities created by and for the whole people of the United States, trafficked for in an almost open market, and bought by a single office-seeker of a solitary office-holder, who had no other claim upon it than that he had, or was supposed to have, audience and favor with the appointing power. Such a purchase and payment would have incensed the purer morals of the past to the severest vigor of condemnation.

MISS SWEET.

In the early part of the year 1874, David Blakely was pension agent at Chicago, having succeded General Sweet. He was also editor and part proprietor of a newspaper in that city. He was desperately involved, and, in fact, practically insolvent. He had procured from Mr. Benjamin H. Campbell, since Marshal of the Northern District of Illinois, and Mr. Bradley, clerk of the United States Circuit Court, a loan of their credit by an indorsement on his note for $5,000, discounted in the National Bank of Illinois at Chicago. This note he was unable to meet, and it was from time to time renewed, on payment of interest. He was about to withdraw from Chicago and seek a new field at St. Paul. The only thing which he appears at that time to have possessed which he considered merchantable, was his position as pension agent. Miss Sweet, the orphan daughter of his predecessor, then a clerk in the Internal Revenue Office, wished to obtain this place, and had the support of many good citizens both on her own account and that of her father. General Sweet had died a poor man, and she was anxious to provide for her family. The difficulty was to create the vacancy, as Mr. Blakely's term did not expire until April, 1875. She was familiar with the duties of the office, having been clerk for her father.

THE PROPOSITION ACCEPTED.

In March, 1874, Blakely proposes to her to create the vacancy by resigning, and to give all the influence he can command to secure her appointment, on condition that she will devote all the earnings of the office, above necessary expenses and a small salary for herself during the first year, to the payment of the one, among his many debts, which he chose to consider a debt of honor. This proposition he binds the young lady to consider as a great personal favor to her, and compels her to secrecy, interdicting that she should communicate with or consult her friends on the subject. Miss Sweet accepts the proposition, with its accompanying obligation of secrecy, and the arrangement was completed. She agreed to pay Benjamin H. Campbell, within the year, $2,100 out of the earnings of the office, and to pay the expenses of the office; and also to pay Blakely $2,000 for books, furniture, papers, and outstanding fees. Mr. Campbell was informed by Blakely of the understanding, and by his request Miss Sweet came to his office and stated in precise terms the sums to be paid him, and the times when the instalments would be due and payable. When the days arrived, Mr. Campbell called at Miss Sweet's office and received from her the amounts agreed to be paid; and for these his receipts are produced and are in evidence. These payments were continued from April, 1874, to April, 1875, when Miss Sweet claimed that her contract was fulfilled.

THE DARK PHASE OF THE TRANSACTION—BETRAYED.

And now we arrive at a far darker phase of this disreputable transaction. On the rendition of Blakely's final accounts an item improperly charged by him of about $3,200 was disallowed by the proper accounting officers, and he was ordered forthwith to make it good by paying over the amount to Miss Sweet, his successor. Again Blakely tries his powers of persuasion upon that lady. He represents to her that he cannot raise the money at the time, but will soon be able

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to ; that discovery will ruin him ; that she ought to help him, and can safely do so ; and thus, by prayers and promises, overpersuades her to give him a receipt as a public officer for money which he owed the Government, without actual receipt by her of the sum pretended to be paid, thus transferring both the crime and the consequences of the default from himself to her.

She gave him a receipt for $40,000, when she had only received from him $37,000. Elated with this success Blakely departs for Minnesota, and begins to play the part of a successful scoundrel, shutting his ears to the piteous appeals of the victim whom he had cheated and betrayed. Letter after letter, telegram after telegram, follow him to his various haunts. Miss Sweet is left alone to her own distresses, for she still respects the pledge of secrecy. It is, however, to the credit of her native integrity that no attempt was made by her to conceal by any artifice of book-keeping the fact which was of apparent record that she was in default to the Government. In addition to the other burdens which he had imposed, Blakely had borrowed privately of his successor the sum of four hundred dollars.

In October, 1874, Mr. Lockey, then Deputy Commissioner of Pensions, called at the Chicago office, and, in the course of an examination, ascertained the deficit, and called Miss Sweet's attention to it. Feeling still measurably bound by the pledge of secrecy, she did not at that time explain to Lockey its real nature and cause. Miss Sweet follows Blakely up with telegrams, and on the 2d and 3d of October receives from him the two telegrams that follow :

"BRADFORD, Vt.

Don't worry. Baker will understand, and will make all right.

D. BLAKELY."

"BRADFORD, Vt.

"All right. Have telegraphed Baker this morning.

D. BLAKELY."

Thus the fact of the communication by Blakely of the impending danger of discovery to Baker, then Commissioner of Pensions, is established, and Baker himself, in his testimony, admits the fact. It is also in evidence that Miss Sweet wrote to Baker more than once about this deficit, and the cause of it, before Lockey's visit. Mr. Lockey returned to Chicago within three or four days, but while at Dubuque he had received from Baker the following telegram:

"You need not stop at the Chicago agency, as I will go there."

On his arrival at Chicago, whither he went, notwithstanding, Lockey had a full conversation with Miss Sweet, who informed him exactly how this deficiency occurred, and how she had been persuaded by Blakely to assume it. Lockey, on his return to Washington, informed his superior, Baker, of the entire transaction. Thus, in the early part of October, and before Baker went out to Chicago, he was informed of this deficit, and all its circumstances, from three sources: from Blakely, from Miss Sweet, and from his official deputy. It is further in evidence that Blakely and Baker passed through Chicago on their way to Minnesota, to attend the November election, and that after the election in that State, they appeared together in Chicago, and that a peremptory demand was at once made by the Commissioner on Miss Sweet to settle this deficit on that day. Blakely had procured of some friends in Minnesota notes to the amount of $2,000, which he proposed to leave with his accomplice, Baker, as security to that extent; that Miss Sweet should pay the balance in cash, when Baker would allow her to carry the remainder of the deficiency upon the security of this paper. Miss Sweet insisted that the notes be delivered to her, and at last broke the confidence under which she had been held, and consulted her friends. By their aid she raised the whole amount of the deficit on her own credit and on the discount of the notes, and escaped from the designs of these two dishonorable men.

THE CONSPIRACY FAILED, BUT THE CONSPIRATORS HONORED BY GRANT.

The atrocity of this conspiracy to extort money from an innocent woman upon the alternative of her public disgrace, beggars all epithet. An average burglar would have disdained the meanness of such a crime, as contrived and practiced against the woman and the orphan, the weak and the defenseless. The testimony of Miss Sweet is direct, modest and conclusive, and her relations with the procuring of office for herself under the contract may be passed over with light censure

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as not of her own devising, but the suggestion of others in whom she believed. And now it may be asked what measure of retribution, where retribution could be visited, was meted to these implicated and convicted men? Campbell, under the pressure of exposure and social odium, returned to Miss Sweet the money which she had paid him in behalf of Blakely, and was continued in an important Federal Marshalship. Baker was transferred by President Grant from the Commissionership of Pensions to the more lucrative Surveyor-Generalship of Minnesota. It is not certainly known that Blakely has yet again been invested with any position of profit or trust by this Republican Administration.

THE MACON INVESTIGATION—MRS. BOGGS.

Of the Macon investigation, a briefer narrative must suffice. John T. Clement held the pension agency there under President Lincoln, and was removed by Grant, who espoused the intolerant Drake faction of the Radical party in Missouri, because he was a favorer of white enfranchisement in that State. One Ebert was appointed his successor, and held the office until January, 1875.

In December, 1874, however, Clements was re-appointed and confirmed, and took possession of the office again in the following January. Mrs. Louisa Boggs was the widow of a former business partner of General Grant. Her husband was also related in the Dent strain of consanguinity, to the President, having been a cousin of Mrs. Grant. This lady was not disposed to forget her claims upon the risen fortunes of the family. It appears, indeed, that she had rendered it some substantial services at the supposed crisis of our national existence, when the heart of patriotism beat in despondent pulses and Europe was either cold or hostile, having, according to her own testimony, "nourished little Fred through a long and severe illness when he was run down with camp dysentery." She was employed as a teacher in a private school at St. Louis, and her income was limited. It occurred to Mrs. Boggs that she ought to derive some collateral advantage from one of the President's many offices. She could not perceive that her desert was less than that of the other kinsmen and kinswomen who had been directly and indirectly provided for, even to the third and fourth generation—and, to be candid, it is apparent, apart from the error of judgment to be considered, that she was a worthy woman. She communicated this desire to be pensioned upon an office-holder to the President, and it was favorably entertained. She essayed Ebert, or was approached by him when hungry Republican combinations hostile to him were to be circumvented, as the case may be; and this man, a thorough rascal, possessed of a great deal of cunning, kept her dangling with suggestions and proffers in a state of expectation which he never intended to gratify. This is the more surprising in a fellow who could indite such abject expressions as the following: "The President is the great central head of the party, and we office-holders his subjects, to whom his smile or his frown is official life or death" —which sound like a sentence from an editorial of the Washington *Republican*, and was probably appropriated from that journal. And the surprise culminates when we find an indorsement of the President's pleasure upon a letter intended for Ebert's eye, to this effect:

"I have no doubt that Mrs. Boggs, whom I have known for many years, would make a most efficient clerk in the Macon Pension Office.

"U. S. GRANT."

THE BARGAIN FALLS THROUGH.

Finally, however, Mrs. Boggs discovered the trickery of Ebert, and proceeded to cast her net in other waters. Clements, who had been suspended by Johnson and removed by Grant, still longed to serve his country. To that end he bethought him that the influence of Mrs. Boggs would prove a valuable auxiliary. They came together, as by a sort of centripetal attraction. Clements agreed to pay the poor relation for her court influence twelve hundred dollars a year out of the income of the agency in quarterly installments, and the negotiation was closed. He actually did thus pay to her eleven hundred dollars, when both the parties were constrained by the popular anger which followed the Belknap disclosures, temporarily, at least, to renounce the arrangement.

Such, illustrated by the several instances adduced, ranging from vulgar chicanery to the deepest turpitude, is the Republican party of to-day as a corrupt political potency which, like the destroying angel that passed over the houses of the Egyp-

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tians spares from its touch neither man, woman nor child. Its official thieves despise even the proverbial equity of plunder, and would rob each other—as Ebert schemed to have transferred to his own, and for his own emolument, a portion of the pensioners of the adjoining agency. That man must be remarkably sanguine or immeasurably credulous who is persuaded, after the accumulated and flagrant exposures of the last twelve months of official corruption in every department of the Government, there is still a possibility of reform by the Republican party, and within itself.

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POST-TRADER AND OTHER FRAUDS.

The following report from the Committee on Expenditures in the War Department, made to the House of Representatives August 5, 1876, discusses in an able and impartial manner the various abuses which have grown up under Republican administration in the distribution of such patronage as post trader and Indian traderships at our western frontier posts. To show how near the surface these corruptions have been during many years, it is only necessary to instance the Fort Sill Tradership. The very first witness the committee examined gave evidence which was so conclusive that it was alone sufficient to warrant the impeachment of W. W. Belknap, Secretary of War. Testimony developing the fact that the post-tradership at Fort Sill was being farmed out by Caleb P. Marsh was given before the Military Committee of the House in 1872, but no steps were taken by the Republican majority to probe the matter further. This evidence was given by General Hazen, a distinguished officer of the army, and for his temerity in reporting facts of this nature he was punished by Belknap by being ordered to the most disagreeable posts on the frontier, and by other petty, spiteful treatment. The Committee on Expenditures in the War Department had not, previous to the last Congress, made a report for eleven years. Indeed, there is no evidence that it had during that period even held a meeting. The committees on expenditures in the various departments are the most important of all the standing committees of the House of Representatives. It is their duty, under the rules of the House, to examine carefully "*into the state of the accounts and expenditures respectively submitted to them, and to inquire particularly whether the expenditures of the respective departments are justified by law; whether the claims from time to time satisfied and discharged by the respective departments are supported by sufficient vouchers establishing their justness both as to their character and amount; whether such claims have been discharged out of funds appropriated therefor, and whether all moneys have been disbursed in conformity with appropriation laws; and whether any and what provisions are necessary to be adopted, to provide more perfectly for the proper application of the public moneys, and to secure the Government from demands unjust in their character or extravagant in their amount. And it shall be, moreover, the duty of the said committees to report, from time to time, whether any, and what, retrenchment can be made in the expenditures of the several departments, without detriment to the public service; whether any, and what, abuses at any time exist in the failure to enforce the payments of moneys which may be due to the United States from public defaulters or others; and to report from time to time such provisions and arrangements as may be necessary to add to the economy of the several departments and the accountability of their officers.*"

Notwithstanding the committees on expenditures were required by the rules of the House, as well as by law, to make the searching inquiries, and perform all the important duties specified in the above quotation from the rules, not one of them ever held a meeting during nearly a decade.

Had the committees been efficiently constituted and zealous in the discharge of their duties, very many of the flagrant abuses which pervade every Executive Department of the Government would have either been prevented or remedied. The great frauds in the payment of claims, which have been so frequent of late years, could not have been perpetrated had these committees faithfully performed their appropriate functions.

Therefore it is that the Committees on Expenditures in the War Department of the Democratic House is entitled to so much praise for what it did at the last ses-

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sion of Congress. It set a good example and accomplished a great work, and is entitled to the thanks of the whole country.

In regard to the post trader frauds, the committee say:

THE WAY APPOINTMENTS WERE MADE.

"Prior to 1867 the sutlers at military posts were designated or appointed by the officers in command. By the act of July, 1866, the office of sutler was abolished, and by a joint resolution of the same year the General of the Army was authorized to permit trading establishments to be maintained at any military post on the frontiers, and on July 15, 1870, the following act was passed:

'"The Secretary of War is authorized to permit one or more trading establishments to be maintained at any military post on the frontier not in the vicinity of any city or town, when he believes such an establishment is needed for the accommodation of emigrants, freighters, or other citizens. The persons to maintain such establishments shall be appointed by him, and shall be under protection and control as camp-followers."'

By this act the power of appointment was vested in the Secretary of War. It does not certainly appear to your committee by whom or through whose influence the passage of the foregoing act was secured; yet it was stated in the Senate that the section (act) was prepared to carry out the views of the Secretary of War and of officers of the army. That it placed a vast patronage in his hands is evident, and from the manner of its use it may not be doubted that the then occupant of the place was fully alive to its value as a means by which to enrich himself, the members of his family, and his special friends. Immediately on the passage of the law those who formerly had held the position of sutlers or traders at the several military posts became solicitous as to their continuance in office now that they were subject to appointment by the Secretary of War, and, in person or by attorney, they appeared at the seat of Government to secure their re-appointment. It is a matter of history how, in the Fort Sill case, the Secretary of War dealt directly with Marsh and Evans; how for years he received at the rate of $6,000, and, subsequently, at the rate of $3,000 annually from that post alone.

At this same period, during the Autumn of 1870, there appeared on the stage two other persons, who, throughout the testimony herewith submitted, appear as the chief brokers in post-traderships, whose influence with the Secretary of War was all-powerful to secure appointments, to whom no request was ever denied, and who had it in their power, even in opposition to the express preference of the General of the Army, to have appointed to the most lucrative and important posts persons who were strangers thereto and of no recognized position, and who had no other claim or right save that conferred by their preference. These two persons were Gen. J. M. Hedrick, of Ottumwa, Iowa, who had formerly served with the late Secretary of War in the Army, and Gen. E. W. Rice, of Washington. It will be instructive and interesting to detail the amounts received by these worthies, respectively, for their services in securing appointments to post-traderships, and although they did not fail to swear that the then Secretary of War was not their partner in the transactions, and that the rich patronage was for their own sole profit, yet the country will form the conclusions which are warranted by the facts and circumstances in the case.

AN INTERESTING ARRAY OF FIGURES.

"General Hedrick received from James Trainor—

"For securing his appointment at Fort Concho, Texas	$2,500
"For securing appointment of A. E. Reynolds at Camp Supply	4,500
"For securing appointment of R. C. Seip at Fort A. Lincoln	3,750
"For securing appointment of A. C. Leighton at Forts Buford and Fetterman	10,000
"Total	20,750

Making the sum of $20,750 actually received by said Hedrick for his services in securing the appointment of said persons to said several posts. In addition thereto, he held a one-third interest in the post-traderships at Forts Buford, Abraham Lincoln, Griffin and Fetterman, in which, according to his own testimony, he had never invested one dollar, and all of which, amounting to tens of thousands of dollars, he owned by reason of the unexplained, if not inexplicable, influence

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wielded by him over William W. Belknap, then Secretary of War, his intimate friend and townsman, who had never denied him any request.

These interests in the several trading posts named he held with the brothers Leighton, Alvin C., Joseph and James, of Ottumwa, Iowa, who furnished all the capital, and gave the business their personal supervision; General Hedrick being at the same time a supervisor of internal revenue, at a salary of $3,000 per annum. The account of General E. W. Rice stands as follows:

He received—

"For the introduction of J. S. Evans, applicant for the post-tradership at Fort Sill, to the Secretary of War	$1,000
"For securing the appointment of Joseph Loeb to Fort Concho	2,000
"For securing the appointment of Henry Reed to Fort Wingate	1,500
"For securing the appointment of Major Hicks at Fort Griffin	5,000
"For his interest in the tradership at Fort Richardson, received from L. M. Gregory	2,000
"For his interest in tradership at Fort A. Lincoln, from R. C. Seip	3,750
"Total	15,250

What the remaining interest of General Rice in these several traderships may be your committee is unable to determine. The progress of this investigation doubtless terminated many of them. Seated at the very footstool of power, basking in its sunshine, the intimate and associate of the late Secretary of War, never denied his presence, and all-powerful in his every recommendation, it is not surprising that vast sums were paid him for mere introductions, but it would be a just cause of surprise if the hoarded profits were not divided with him from whose hands they were derived, and whose mere will opened avenues of wealth to this intimate and office-broker. That this will be the general judgment of men who may doubt? In addition to these sums thus paid to these two favored brokers in traderships, there was paid by eleven of the traders summoned by your committee the sum of $10,775, as assessments for political purposes, during and since the year 1872. There were others in a small way engaged in the business of procuring appointments for post traders from the War Department, such as Hawkins Taylor and B. Gordon Daniels, whose gains were so inconsiderable as compared with those of Hedrick and Rice that it is not deemed necessary to state at length the facts regarding them.

ORVILLE L. GRANT'S SCHEMES.

There was still another person engaged in post and Indian traderships regarding whom your committee, by reason of his near relationship to the President of the United States, feel that it is mortifying to be compelled to express an opinion, Orville L. Grant. At the time of the passage of the law of 1870 giving the appointment of post-traders to the Secretary of War, Durfee & Peck, a firm largely engaged in transportation on the Missouri River, were the post-traders at Fort Sully, Fort Rice, Fort Stevenson, and Fort Buford, and Indian traders at Cheyenne agency and Standing Rock, mixed Indian and army posts.

These positions they had theretofore held by the choice of the officers of the several posts and by license from the Indian Department. They were responsible traders, and had large sums invested in goods, buildings, &c., at these several posts. On the 6th of October, 1870, they were dispossessed at Fort Buford by the appointment of Alvin C. Leighton, a partner of Hedrick, who compelled them to remove their goods and abandon their buildings at a great sacrifice. In their own names and that of J. W. Wham and J. W. Marsh they held Fort Stevenson until July 4, 1874, when they were finally removed to make place for A. L. Bonnafon, jr., of Philadelphia. Fort Rice they held in their own name and that of Henry J. Miller and William Harmon until June 30, 1874, when James P. Pitts was appointed, whose partner in the enterprise was to have been Mr. John Tomlinson, now dead, the brother-in-law of the late Secretary of War. Pitts did not take the position until the Spring of 1875, Durfee and Peck, or Harmon, their agent, paying him a portion of the profits for the privilege of remaining until he took the position.

Fort Sully was held by Durfee & Peck and George H. Durfee until July 3, 1874, when John F. Athy, the clerk of General W. C. Babcock, surveyor-general of Kansas, who is a brother of General Orville E. Babcock, was appointed, not

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by the Secretary of War, but by the President. Athy was without means to stock the post, and could not, for this reason, take the position. In about nine months he found parties who furnished the means to do so, but Durfee & Peck were obliged to pay the sum of $750 a quarter, or, in the whole, $2,250, for the privilege of trading during the interval. It is to be remarked that Surveyor-General Babcock drew up the contract for the payment of this sum, and that the money was sent to him and not to Athy. On or about the 5th of September, 1874, Durfee & Peck, represented by John H. Charles, were removed as traders from the Cheyenne agency by the appointment of George W. Felt, the order for whose appointment was made by the President personally, at the instance of Orville L. Grant. In the Summer of 1874 Durfee & Peck were removed from the Standing Rock Indian agency by the appointment of J. R. Casselberry, of Philadelphia, Orville L. Grant being his partner.

THE CASE OF MR. JOHN W. CHARLES.

From the foregoing narrative it appears that by the summer of 1874 this greatest trading firm of the Upper Missouri were driven from every post, and financial ruin stared them in the face. They well understood that some sinister influence was working their destruction, and to save something from the wreck, and to secure their chief creditor, they transferred to him, Mr. John W. Charles, one of the oldest and most reputable citizens and now the mayor of Sioux City, all their interest in these several Army and trading posts. The Act of July 26, 1866, prescribes that—

"Any loyal person, a citizen of the United States, of good moral character, shall be permitted to trade with any Indian tribe, upon giving bond to the United States in the penal sum of not less than five, nor more than ten, thousand dollars, with at least two good sureties, to be approved by the superintendent of the district within which such person proposes to trade, or by the United States district judge or district attorney for the district in which the obligor resides, renewable each year, conditioned that such person will faithfully observe all laws and regulations made for the government of trade and intercourse with the Indian tribes, and in no respect violate the same.—(Act of July 26, 1866. Revised Statutes United States, page 374, section 2128.)

In obedience to the provisions of this Act, Mr. Charles made immediate application to the Indian Department, through the several agents for license to trade at Cheyenne, Standing Rock, Fort Berthold, Fort Peck, Fort Belknap, and Fort Turney, and filed the requisite bond in each case. The agent at Cheyenne at once accepted his application and the Department of the Interior approved it and sent it back. How it was canceled and G. W. Felt appointed by the President in September, 1874, has heretofore been shown. For some reason Mr. Charles was denied and never received license to trade at either of the other posts. He besieged the Indian Department by letters regarding the matter, but received no reply. He came to Washington, called on the Commissioner, inquired why his letters were not answered; he asked if he was not entitled to licenses, and why they were not granted. The Commissioner endeavored to evade, but at last replied, "Well, you understand that as well as I do. So far as I am concerned, I would grant you a license." That was all the explanation he gave.

In view of the imperative terms of the law, in view of the fact that Mr. Charles had complied with its every provision, and in view of the fixed determination of the Commissioner to disobey its provisions, it will be instructive to inquire into the actual cause which defeated Mr. Charles's application and ignored his absolute right. Upon his arrival in Washington, Mr. Charles called upon the President and handed him a letter, of which the following is a copy:

MR. CHARLES'S LETTER TO THE PRESIDENT.

"WASHINGTON, D. C., ——, 187 .

"To the PRESIDENT:

"SIR: Regretting very much that circumstances compel me to trouble you with the subject matter of this letter, I only do so because my all is at stake; and as I have failed to obtain just relief from your subordinates, the President and Congress are the only tribunals to which I can appeal for justice, and as this lies within your jurisdiction. I was granted licenses to establish trading posts at certain points on the Missouri River. Under those licenses I went on, purchased

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stocks of goods, erected or purchased the necessary buildings and warehouses, and prepared for trade. While prosecuting my business, without a single charge having been preferred against me, my licenses were revoked and Mr. Orville L. Grant was given the sole right to trade on the river. The law nowhere contemplates that this right of trade shall be made a monopoly. I was and am still willing to withdraw from that country and give up the trade, provided that Mr. Grant will pay a reasonable price for my buildings and stock on hand; we to agree upon the prices wherever we can, and to leave the prices of all things upon which we cannot agree to be settled by arbitrators, appointed in the usual manner.

"To such an arrangement I was and am willing to agree, and to break up my business and withdraw from trade in that country, upon any basis that will not involve my total ruin.

"If Mr. Grant, coming in with exclusive powers and privileges, will not do this, then I hope and entreat that as a matter of fairness and justice you will order the Secretary of the Interior to carry out the law, to renew my licenses, withdraw the interdiction on my trade, and allow me to carry on my business in fair and honorable competition.

"Very respectfully, your obedient servant,

"JOHN H. CHARLES,
"Per THUM."

THE EFFECT AND RESULTS OF THE LETTER.

This letter was presented to the President about the 1st of December, 1874. The testimony of Mr. Charles regarding the presentation of the letter, and its effect and results, will be instructive. It is as follows:

"Q. Did you write that letter? A. I did, sir.

"Q. You sent it to the President of the United States? A. My impression is that I handed it to the President myself; I may have sent it by mail. What is the date of that letter?

"Q. It is a copy of the letter, and I have not dated it. A. If you have a copy of the original letter, the trade of the Cheyenne agency was made by me with Felt, I think, in the first of December or the last of November, 1874, but still we had already spoken about it some time before.

"Q. Did you call the attention of the Commissioner of Indian Affairs, Mr. Smith, to the fact that the law was imperative that you had a right to trade at Indian posts if you furnished bonds and were of good moral character? A. Well, I talked to him about the substance of that letter.

"Q. Did you tell the President also the substance of that letter in your interview with him? A. Yes, sir; Senator Allison was present when the interview took place.

"Q. What did the President say? A. Well, he said he had fixed that thing, and was not going to change it, and he bit the end of his cigar, as if he didn't like me a bit.

"Q. Was not your license at Cheyenne revoked by telegraph? A. I think I got notice of it by telegraph.

"Q. From whom? A. I think it came from the agent, through the regular channel.

"Q. What authority had the agent for doing that? A. Well, it came from the Department of the Interior, of course."

HOW THE PRESIDENT "FIXED THINGS."

From the foregoing it is evident that it was the President of the United States who had "fixed that thing," and that it was by his direct order that Mr. Commissioner Smith had purposely and deliberately disregarded and violated the express terms of the statute. Was there any great and overshadowing public necessity, was there any high and patriotic purpose, was there any pure and noble aspiration for the general welfare, which induced the President thus to violate the law, thus to bring ruin upon the individual citizen by the arbitrary exercise of his influence over subordinates in the Government? From the testimony of Mr. Orvil L. Grant it appears that during the summer of 1874, his brother, the President of the United States, wrote him a letter informing him that there would be vacancies in the trading posts at Standing Rock, Fort Peck, and Fort Belknap, and possibly also at the Cheyenne agency, although of this last he was not posi-

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tive. Armed with this letter he went into the market and bartered his power and influence. By it he became the owner of a one-third interest in the post of Standing Rock, with J. R. Casselberry and A. L. Bonnafon, sr., of Philadelphia; never having advanced a dollar toward the capital until January, 1876, when he put in about $2,000, although he had theretofore drawn out $1,100 on account of profits. He became the equal partner of Joseph Leighton at Fort Peck, where the capital invested amounted to about $25,000, although he had never invested a dollar. Having had the promise of the post-tradership at Fort Berthold, he withdrew his claims in favor of Raymond, receiving therefor $1,000. At Fort Belknap he assisted a man named Conrad to get the license, although he swears he has no interest therein. It will thus appear that of the posts at which Mr. Charles applied for licenses to trade Cheyenne is in the hands of G. W. Felt, a personal appointee of the President; that at Standing Rock Orville L. Grant is the owner with Casselberry and Bonnafon; that Orville L. Grant and Joseph Leighton are the owners at Fort Peck; that Fort Berthold is held by Raymond, who has paid Orville L. Grant $1,000 to permit him to remain; that Fort Belknap is held by Conrad, whom Orville L. Grant assisted in securing his appointment.

Of Fort Turney we have no record, and we have heretofore shown that A. L. Bonnafon, jr., had been appointed post-trader at Fort Stevenson in July, 1874. He is the son of A. L. Bonnafon, sr., the partner of Orville L. Grant, at Standing Rock, and received his appointment through Grant's influence. This statement will enable this House and the country to judge of the motives which induced the President to direct the Commissioner of Indian Affairs to disregard the law, and refuse to give John W. Charles a license to trade at these Indian posts. If they be worthy, he will receive due commendation; if otherwise, merited condemnation. From the facts in the case, it is not doubted by your committee that the object in refusing a license to John H. Charles at these several posts was to enable the favorites who held them to trade unmolested and unembarrassed by any competition whatever. This conclusion is fortified by other executive orders and proceeding.

Prior to January, 1875, the Missouri River was the eastern boundary of the great Sioux reservation upon which Standing Rock trading post was situated, and at which Grant, Casselberry, and Bonnafon, sr., were the traders. Settlers had located on the eastern bank. At one place there was a thriving settlement called Brulé city, containing a saw-mill, stores, and shops, and immediately opposite the Standing Rock agency there was another settlement. By executive orders, the first issued January 11, 1875, the second March 16, 1875, and the third May 20, 1875, the boundaries of the great Sioux reservation were extended so as to cover all the eastern bank of the Missouri river, and thereby break up these various settlements, drive out the inhabitants, and thus effectively shut off all competition with the favored traders on the western bank. In order to show the effect of these orders, your committee would refer to the evidence of O. C. Treadway, page 45, of the accompanying testimony; to that of A. W. Burleigh, page 41; to that of John Lawrence, page 45; to that of General Custer, page 55.

O. C. Treadway sworn and examined:

By the Chairman:

"Question. Where do you reside? Answer. Sioux City, Iowa.

"Q. Are you in any way connected with post-trading? A. No, sir.

"Q. Do you know this Upper Missouri River? A. Yes, sir.

"Q. Do you know this great Sioux reservation? A. Yes, sir. I know the country pretty well from Sioux City to the mouth of the Yellowstone.

"Q. That is an official map, and you see that reservation, as it has been extended, marked upon it. Will you be kind enough to state to the committee what was the effect of that extension of the reservation to the east bank of the river on the trading posts and military posts? A. The effect, if it was enforced, would be to make them absolutely and unqualifiedly Indian and military trading posts, without any opposition; to drive out everything to the edge of the reservation. That is what we used to do when I was a trader—choke off every man that was not within the scope of the law.

"Q. When you were a trader would you have considered it a great advantage to have the limits extended so as to drive out all those people? A. Yes, sir; there is no doubt about its being an advantage.

"Q. Do you know any other parties except those at Brulé City who had paid for their lands, but had not received their patents? A. Yes, sir; Judge Oliver,

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our representative, conferred with me the other day in reference to an Iowa man who was trying to get his money back for lands he had purchased in this extension, and he could not succeed.

"Q. Have you any idea of the amount of money that you would have to be paid back for those lands? A. I have not examined that.

"Q. The Lower Brulé Agency is an Indian agency? A. Yes, sir; and there are soldiers kept there also. Brulé City is below that.

"Q. Has the effect of that order been to prevent the further growth of that place? A. Yes, sir; it has stopped the growth. It is so represented to me by my clients that the agent prohibited their making any further improvements in that city, and went so far as even to forbid homesteaders from plowing, as it angered the Indians.

"Q. Did he close up all the places of business in that city where they were selling goods? A. That was what he threatened to do, and I was conferred with as counsel as to what course to pursue on that point. Whether he closed them up or not, I do not know. They came to me and made these representations, and I told them they had better acquiesce, for if they got into the clutches of the military or the Indian Department I did not think their property was worth five cents on a dollar. I told them they had better look out.

"Q. Would the closing up of all business at Brule City be advantageous to the Indian and post-traders at Lower Brulé agency? A. Yes, sir; the closing up of the trade on the east bank of the river would be beneficial to all those posts. As we used to travel it was about two days' march from where Brulé City is now to where Brulé agency is located. Brulé City is about forty miles below the agency I should judge."

W. A. Burleigh sworn and examined, March 15, 1876:

"Q. State the nature of the Executive order on that subject. A. In the first place I will state that, under the treaty with the Yanktons, there were four hundred thousand acres of land set apart on the east bank of the Missouri River for their permanent occupation, extending about thirty miles up and down the river. The river was then open for more than one hundred miles on that side of the river, and, with the exception of a small portion of the Fort Randall reservation, which was vacated by the Government several years ago, the country was surveyed. There was no other reservation until you got up to Crow Creek, about one hundred miles above, where there was a small reservation for the Sioux and Winnebagoes, but the Winnabagoes afterward moved down into Nebraska. The country from there to the 46th parallel, on the east bank of the Missouri River, was open to settlement, with exception of the Fort Sully military reservation. A considerable portion of this was occupied by homesteaders and pre-emptors, who had gone there, as they had a right to do by virtue of the homestead and pre-emption laws, and settled. For some unaccountable reason these parties were notified that, by an Executive order, this land had been set apart—this monstrous reservation on the other side of the river, almost one-third of our territory; and when we came to look into the thing we found an Executive order issued January 11, 1875, running down from a point here [indicating on the map], striking the Missouri River so as to leave an open space between the Yankton reservation and the Sioux reservation. That order did not cover the ground, and on the 16th July, 1875, it took in the country opposite the Standing Rock agency, and on May 20, 1875, there was another one, which closed up the entire country on the east of the Missouri for a distance ranging from ten to thirty miles, and shut everybody out, and the military were sent to clear the country.

"Q. What was the effect of that order upon the trading posts?—A. The effect of driving these people out and closing up all those stores was to give an entire monopoly to the trading posts situated on the other side of the river.

"Q. Would not the effect of the enforcement of these orders be to greatly enhance the value of the trading-posts? A. Unquestionably."

John Lawrence sworn and examined, March 15, 1876.

By the CHAIRMAN:

"Question. You are well acquainted with the Upper Missouri, and know all the posts spoken of by Dr. Burleigh here? A. Yes, sir.

"Q. You have lived there, you say, fifteen years? Yes, sir.

"Q. Do you know of these Executive orders having been issued? A. Yes, sir; two of them, one of the 11th of January, and one of May 20, 1875.

"Q. From your knowledge of that country, what was the effect of those

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orders? A. The effect of that was virtually to drive the citizens out of that country, with a few exceptions.

"Q. Were there any citizens who had paid for their land in that agency who, nevertheless, had not received their warrants? A. Yes, sir; quite a number.

"Q. Had some of those citizens stores? A. I think one, Mr. Day, had a store at Brulé City."

TESTIMONY OF GEN. CUSTER.

George A. Custer sworn and examined March 29, 1876:

"Q. Do you know anything about the extension of this Great Sioux reservation across the east bank of the Missouri River? A. Yes, sir.

"Q. That was done by the proclamation of the President in January last year and by another proclamation in April? A. Yes, sir.

"Q. What was the effect of that proclamation upon the value of the tradership along that river? A. It greatly enhanced their value by making them a more perfect monopoly, by removing all opposition and rivalry.

"Q. Did it dispossess any people who had acquired title to lands there? A. I cannot say that it dispossessed any people who had acquired title, because I am not sufficiently familiar with the legality of their title, but I know that it dispossessed people who claimed that they had a title, and who, no doubt, but for this, would eventually have acquired title."

Although the ostensible and alleged object of these several executive orders extending the boundaries of the Great Sioux reservation so as to include the east bank was the "suppression of the liquor traffic with the Indians on the Missouri River," yet the real effect and necessary result of the same is gathered from the foregoing testimony of witnesses who knew whereof they were speaking. It was to drive off all the settlers from the east bank of the river, to break up and destroy thriving settlements, and make the Government justly liable to claims amounting to hundreds of thousands of dollars in damages done to property and vested interests, and, over and above all, to remove and suppress all competition on the part of the settlers and traders on the eastern bank with those favorites of the President who were interested in the several trading posts on the western bank.

We leave this House and the country to judge, upon the evidence as given, whether said orders were issued from philanthropic motives toward the Indians. If so, it is an anomaly in our affairs that the interests, especially the *moral* interests, of the Indian has been cared for, to the subversion and destruction of the vested rights and privileges of the whites. While it is to be regretted that so great a number, and so many of them, have been destroyed by these Executive orders, there may be compensation in the reflection that the profits and emoluments of the Indian traders within the extended limits of the reservation have been greatly enhanced and increased. With this recital of Executive disobedience to law, and direct interposition of authority for the purpose of advancing the interests and increasing the fortunes of favorites and relatives at the expense of the people generally, we would dismiss this subject of posts and Indian traderships, save that there is still one case remaining so glaring in its wrong and so naked in its iniquity that justice demands of us a brief statement of the facts.

In 1867, J. E. Barrow, of St. Louis, had sent a large stock of goods to New Mexico. Finding no market for them, he applied for a post-tradership at Fort Union, in that Territory. President Grant was then General of the Army, and had the power of appointment. Finding difficulty in securing the place, Barrow applied to W. D. W. Bernard, the brother-in-law of John C. Dent, the eldest brother-in-law of General Grant, who agreed to aid him on condition that he would give him one-third of the profits; whereupon, Barrow agreeing thereto, Bernard wrote General Grant a letter stating that Barrow was to give him one-third of the profits annually for his influence in getting him the place. After a month or six weeks Barrow was appointed. What happened subsequently is stated so clearly and succinctly by Barrow that we insert his evidence (pages 137 and 138), as follows:

MARCH 28, 1876.

J. E. BARROW sworn and examined:

Q. Go on and state all the facts. A. After getting the appointment I removed my goods from Las Vegas, where I had them, to Fort Union, in the Winter of 1867–8,

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built my house, and opened my goods for sale. Mr. Moore was at the same time, also, sutler there. After being there some eight months, I was removed while I was absent at Saint Louis. Mr. Bernard, in the mean time, was out there, and proposed to take his share of the profits and stay in the house, which he did for some time. After I went to Saint Louis, in the Fall of 1868, without any notification whatever I received a dispatch from my clerk, stating that my permit was revoked, and that Mr. Bernard was appointed in my place. I had a large stock of goods on hand, probably fifty or sixty thousand dollars' worth; my buildings cost me several thousand dollars. It was a thing unexpected to me, and placed me in a very peculiar situation, as I owed many thousand dollars at Saint Louis to my creditors. I did not know what to do to give them satisfaction. I tried to make arrangements to sell out; I did not know whom to sell to; I could not take the goods away, as they were not adapted for any other place than a sutler's store. I then met Mr. Dent; Bernard had telegraphed Dent to see me, and to arrange about buying the stock of goods. I was not disposed to let Bernard have anything to do with it. He was considered a profligate and a man of very reckless habits, and a spendthrift. I took Mr. Dent down with me to the fort, and when I got there Bernard had charge of everything. I made the sale there to him, and went to Saint Louis to consummate it, and after I got there he refused to accede to the terms that he had made at the fort.

Q. Who refused? A. Mr. Dent; but after two or three weeks I had to accept his own terms, which subjected me to a loss on the debts I had out there of $16,000 or $18,000, and a loss on my goods of between $30,000 and $40,000.

Q. You sold out then to John C. Dent? A. Yes, sir.

Q. He was the brother-in-law of the President? A. Yes, sir. There was at least $16,000 or $17,000 of debts owing me there, and I sold out to Dent at a loss of $25,000 or $30,000.

Q. What were your total losses in the operation? A. Between $30,000 or $40,000. I sold on long credit, and compromised with my creditors at 50 cents on the dollar.

Q. When you were supplanted by Bernard, did you make any efforts to be retained? A. I wrote to General Grant and told him the facts of the case, but got no answer from him.

Q. What did you tell him? A. I told him that Mr. Bernard was a profligate, that he had got my things in his hands out there, that he had no money and no credit, and I was afraid to let him have charge of them, and of course I preferred to sell out Mr. Dent, or some one else, and save myself.

Q. You received no reply from the President, who was then General of the Armies? A. No, sir.

Q. In the letter which you sent to General Grant, making application for the post—it was written by Bernard in the first place, and in that all the terms of your agreement were fully set forth? A. Yes, sir.

Q. That in case you were appointed, Bernard was to have one-third of the profits? Yes, sir.

Q. Was he to put any capital in? A. No, sir.

Q. What was he to have that one-third of the profits for? A. For his influence with General Grant in obtaining the appointment for me. I knew nothing of Mr. Bernard only what I had heard—that he had been intimate with him, been drunk with him, given him a horse, and all that kind of thing, and I concluded I would apply to him for my permit.

Q. Bernard, you say, is married to a sister of John C. Dent? A. No, sir; Dent and Bernard married sisters.

Q. So that Bernard is not a brother-in-law of the President? A. No, sir; he is a brother-in-law of John C. Dent. Bernard was appointed in my place, and then Dent was afterward appointed, and Bernard was then appointed Inspector of Banks in Saint Louis, which he is now. He is bank examiner there.

Q. Has his character improved any since then? A. I do not know. Gentlemen of Saint Louis will be apt to know better than I; they have seen him for years, and know his reputation. He is considered a profligate, and a man of reckless habits.

We leave the House and the country to form their own conclusion upon the facts as stated. They are unchallenged and uncontradicted. We present them as corroborative testimony of all that is charged in this report touching the unfailing willingness of the President to serve his friends. To those who question

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it we commend a careful perusal of the whole of the testimony of Barrow, as it appears on pages 136 to 144 inclusive.

THE CLAIM OF THE KENTUCKY CENTRAL RAILROAD COMPANY AGAINST THE GOVERNMENT, AND THE RELATION OF THE HON. GEORGE H. PENDLETON THERETO.

The charge made before your committee was that George H. Pendleton had corruptly used money in the prosecution and collection of a claim, in the War Department, of the Kentucky Central Railroad against the Goverment, which was brought to the notice of the committee, not by the testimony of any witness, or the order of the House, but by rumors published and circulated in the newspapers.

Mr. Pendleton promptly offered himself for examination, and testified in the most direct, explicit, and comprehensive manner that no corrupt or improper means had been used in the prosecution and collection of the claim. Many witnesses were examined, embracing the officers and clerks of the Kentucky Central Railroad, the owners of the road and claim, the newspaper correspondents and those who circulated the rumor, the persons with whom it was said to have originated, the officers of the banks in New York and Cincinnati, and every person suggested to the committee as likely to have knowledge or information bearing on the case whose presence could be secured.

Their testimony not only did not impair in the least degree the force of George H. Pendleton's statement, but did, in every particular absolutely verify and confirm it.

As bearing upon the charge against Mr. Pendleton, your committee examined fully into the origin, nature, and merits of the claim of said railroad against the Government; examined General William McKee Dunn, Judge-Advocate-General of the Army, who passed upon the claim and recommended its payment, and they find that said claim was just and valid, and fully established by the clearest testimony.

Your committee believes that, in the absence of all fraud, the Government or the public have no interest in the question of compensation paid by the railroad company to Mr. Pendleton; but as the amount paid to him has been the subject of much public comment, the committee deem it but right to say that Mr. Pendleton freely stated to them the amount he was to receive, and that the proof was clear that every person interested in and owning said railroad fully understood and approved the contract with Mr. Pendleton for his contingent compensation in the collection of said claim, and that all of said owners were then and are now fully satisfied with it, and cordially approve the final settlement of the claim under it.

Mr. Pendleton is, therefore, in the opinion of your committee, fully exonerated from all charges against him.

CONTRACTS WITH COWLES & BREGA FOR THE EXTERMINATION OF MOTHS IN ARMY CLOTHING.

Your committee deem it proper to refer to the facts developed in the matter of what is known as "Cowles & Co.'s process for preservation of Army clothing and equipage."

It appears that from the 15th of June, 1871, to the close of the fiscal year ending June 30, 1876, there was expended in the use and application of said process the sum of $489,040.07. That after the process had been adopted and, for some time in use, the Secretary of War directed its discontinuance, which order was, however, revoked. That in the Army Appropriation Bill for the fiscal year commencing July 1, 1875, the following appropriation is found:

For the purchase and manufacture of clothing and camp and garrison equipage, and for preserving and repacking stock of clothing and camp and garrison equipage, and materials on hand at the Philadelphia, Jeffersonville and other depots of the Quartermaster's Department, one million four hundred and fifty thousand dollars: *Provided*, That no part of this sum shall be paid for the use of any patent process for the preservation of cloth from moth or mildew.

It also appears that the proviso in this section was specially intended by Congress to stop the use of the said Cowles & Co.'s process, though so worded as to exclude from use all patented processes, of which this was one. General M. C. Meigs, Quartermaster-General, recognizing the plain obligations imposed by this act of Congress, refused to apply any portion of the appropriation to the purchase,

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use, or application of this process, but upon the 1st day of June, 1875, General Meigs was temporarily relieved by General Rufus Ingalls, who on that day assumed the duties of the office, as Acting Quartermaster-General, and on that day there was filed in his office the application of Cowles & Co. for the payment to them of $39,040.07, for the use or application of their process to the clothing and equipage of the United States Army. This request was referred by General Ingalls, to the Secretary of War, and by him referred to the Attorney-General of the United States, Hon. Edwards Pierrepont, who upon the 25th day of August, 1875, submitted, for the guidance of the Department, the following singular opinion, which, because of the subtle distinctions drawn, as well as the anomalous conclusions reached, deserves, and will doubtless receive, no small amount of attention at the hands of the legal profession throughout the country:

OPINION OF THE ATTORNEY-GENERAL.

DEPARTMENT OF JUSTICE,
Washington, D. C., August 25. 1875.

Hon. W. W. BELKNAP, *Secretary of War:*

SIR: I have considered the question proposed in a letter from Mr. H. T. Crosby, chief clerk of your Department, dated the 30th ultimo, which was accompanied by a communication from Messrs. George A. Cowles and Co., of Philadelphia, and other papers, touching the preservation of Army clothing by what is known as the Cowles process. The question put is, "Whether or not the appropriation for clothing for the present fiscal year (18 Stat., 454) can be legally used in applying this process to the preservation of Army clothing?"

That appropriation is in the following terms: "For purchase and manufacture of clothing and camp and garrison equipage. and for preserving and repacking stock of clothing and camp and garrison equipage, and materials on hand at the Philadelphia, Jeffersonville, and other depots of the Quartermaster's Department, one million four hundred and fifty thousand dollars: *Provided*, That no part of this sum shall be paid for the use of any patent process for the preservation of cloth from moth or mildew."

The above question is understood to arise on the proviso just quoted, and it involves the inquiry as to the effect of the latter upon expenditures for one of the objects enumerated in the appropriation, viz., for "preserving" the stock of clothing on hand. That the proviso prohibits the payment of any part of the sum appropriated "for *the use* of any patent process" for the object mentioned is very clear, but with its prohibitory operation seems to end.

It does not forbid the application of any patent process to the preservation of the clothing where the use of the process may be obtained without paying therefor or incurring any obligation to pay therefor.

Accordingly, if the use of Cowles's process can be had without charge, directly or indirectly, or without incurring any obligation to pay for such use, I think the appropriation in question may be legally employed in applying the same (*i. e.*, in paying for the mere labor necessary to apply the same) to the preservation of Army clothing.

Here is the plainest of Congressional statutes, the object of which was well known to every one, enacted for the expressed purposed of protecting the Treasury from what Congress deemed waste and pillage, so understood and regarded by the Quartermaster-General (General Meigs, see page 459 of the testimony), openly defied, and the Department making the disbursement of the money, in the face and in direct violation of the law, pleads the opinion of the Attorney-General as its authority in the premises. Whether the opinion illustrates in the late Attorney-General, the legal adviser of the Administration, a greater fitness for correctly construing and expounding the law, or for discovering methods for its evasion or open violation, your committee will not undertake to determine. Of one thing, however, there can be no doubt, viz.: Had the country, at that juncture, not been deprived of the services of its Quartermaster-General (General Meigs), and the duties of his office devolved upon General Ingalls, this infraction of the law would not have occurred, nor the Treasury been depleted of $39,040.07. Whether the responsibility for this high-handed action rests with the then Attorney-General or the Acting Quartermaster-General, or is to be shared by both those officials, it is not necessary and may not be proper for us to determine. The transaction itself must stand as irrefutable proof of a laxity of administration and

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disregard of the limitations of law, meriting the severest censure of all right-thinking men.

The following is the bank-account of Cowles & Co. during a part of the time of their contract with the Government:

Amount collected by Fant, Washington, & Co., agent of G. A. Cowles & Co., between February or March, 1872, to July or August, 1874.

From the Army, Navy, and Ordnance Departments	$403,875.00
Distributed as follows:	
G. A. Cowles & Co., manager, expense account	41,374.18
G. A. Cowles & Co., Army account	63,525.10
G. A. Cowles & Co., individual account	92,570.99
George W. Brega, individual account	92,570.99
L. H. Bacon, of Hartford, Conn	57,934.26
Victor Vierow, of Philadelphia	28,967.13
Donn Piatt	22,934.35
Commissions to Fant, Washington & Co., 1 per cent	3,998.00
Making the total amount received from the Government	403,875.00

From which it appears that the sum of $294,877.54 were the profits realized by the parties engaged in this questionable contract, out of an aggragate appropriation of $403,875. Their insatiable rapacity is shown by their subsequent demand for the additional sum of $39,040.07, which they obtained under the opinion of the late Attorney-General, above cited.

HIESTER CLYMER.
WM. M. ROBBINS.
JOS. C. S. BLACKBURN.

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NEPOTISM AND GRANTISM.

ORVILLE GRANT AND JOHN S. DELANO AS GOVERNMENT CONTRACTORS.

The following report made by the Committee on Expenditures in the Interior Department to the House of Representatives, August 2, 1876, shows how a brother of the President of the United States and a son of one of his cabinet officers profited at the expense of the tax-payers from contracts to survey the public lands in Wyoming Territory :

It having been represented to your committee that certain abuses had been practiced in the awarding of contracts by surveyors-general for the survey of the public lands, they determined to inquire into the truth or falsity of the charges by the examination of witnesses who, it was supposed, had knowledge of the fact that such abuses existed. The time of the committee having been occupied almost exclusively in the investigation of other matters, they found it impossible to give attention to any of the charges except those relating to surveys in the Territory of Wyoming. It having been alleged that Dr. Silas Reed, late surveyor-general of that Territory, was in the habit of compelling deputy surveyors who received contracts from him to divide the profits of their contracts with such friends of his as he would designate, who did no work and assumed none of the responsibilities which attached to the contractor, and whose only connection with the surveys was to receive their share of the profits after the work was completed, your committee proceeded to take the testimony of a number of witnesses in support of the allegations, and they herewith submit it as a part of their report.

Dr. Reed became surveyor-general of Wyoming Territory in the year 1870, and held the position until the spring of 1873, when he was removed, and a Dr. H. Latham was appointed his successor. In speaking of his removal, Dr. Reed, in his testimony, says :

TESTIMONY OF DR. SILAS REED.

"I was appointed the second time in February, 1870. I went out there, and in March, 1873, at the time of the President's inauguration, this ring that is now hatching up this difficulty, mystifying and misrepresenting it, came down here and represented me to the President as a great Greeley man, and as having attended Greeley conventions, etc., and the President, forgetting that he had appointed me the second time, appointed a man in my place."

Upon the receipt of his notice of dismissal, Dr. Reed at once proceeded to Washington, and having convinced President Grant that the report to the effect that he had been wanting in fealty to him was a malicious fabrication invented by the "ring" for selfish purposes, he was at once re-appointed, and again entered upon his duties as surveyor-general of the Territory. The contracts for surveys for the season of 1873 having been already let by Dr. Latham, none were given out by Dr. Reed until the following season, being the summer of 1874.

The act of May 18, 1796, provides that "every surveyor-general shall engage a sufficient number of skillful surveyors as his deputies," and by the act of March 3, 1831, "every deputy surveyor is required to enter into bonds with sufficient security for the faithful performance of all surveying-contracts, and to take an oath that the surveys have been faithfully and correctly executed according to law and the instructions of the surveyor-general." In the opinion of the committee, the plain provisions of the statutes regulating the surveying of the public lands require all contracts to be let only to persons skilled in the art of surveying, and to such as will give the bond and take the oath required by those statutes. The term skillful surveyors cannot

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be interpreted to mean any class of persons except such as have been educated in the business of surveying. The manual of surveying-instructions, however, authorized by the act of 1872, and issued by the Commissioner of the General Land Office, contains a provision declaring that where there are two contractors, one only shall be required to be a practical surveyor, the other may be the moneyed man of the firm; the one to execute the work and swear to the field-notes, the other to furnish the necessary means for the outfit. This regulation, made, as is claimed, in pursuance of law, enables surveyors-general to award heavy contracts to favorites, who have no knowledge whatever of the work to be done, or of the manner of doing it, and who scarcely ever go into the field. As surveying-contracts are always awarded at the maximum sum allowed by law, the profits realized are generally very large in proportion to the amount invested by the moneyed man of the firm. This system of partnership in surveying was somewhat improved by Dr. Reed, very much to the advantage of the moneyed man of the firm, who, it appears from the testimony, was not only not required to do any work, but did not sign a contract, give a bond, take the oath, nor advance any money. Under the doctor's system, the moneyed man did no work and assumed no responsibility; he was a silent partner, with nothing to do except to receive his share of the profits of the contract. This system was put into practical operation in the spring of 1874, when the first contracts were let by Dr. Reed after his reappointment to the office of surveyor-general of the Territory, and the beneficiaries under it were Mr. John S. Delano, Mr. Orville L. Grant, and a Mr. H. H. Houghton, an editor of a newspaper in Galena, Ill. Although each of these gentlemen participated in the distribution of the profits of surveying-contracts, none of them took any of the responsibilities of contracting parties, nor did any of the work required to be done, and, so far as the evidence shows, only one of them (Mr. Delano) advanced any money to purchase an outfit for the men in the field.

DELANO RECEIVES ONE-HALF OF THE PROFITS.

In May, 1874, two contracts were given to J. Wesley Hammond, of which the aggregate liability was $4,000. Subsequently, and during the same summer, a contract was given to Mr. Rogers, the liability of which was $2,100; one to Mr. Hays, of the same liability; one to Mr. Reed, liability $1,800; and one to Mr. Thomas, liability $2,900. These contracts were all for surveying township and section lines, and were awarded at the maximum sum allowed by law for that kind of surveying. The only contracting parties, so far as the papers in the Land Office show, were the government and the parties above named. Yet Mr. Delano was the recipient of one-half the profits of each contract, amounting in the aggregate to from $3,000 to $5,000. The settlements with the deputies were made by Dr. Reed, and the amount due by each one to Mr. Delano deducted by him. For purposes which may readily be imagined, it seems Dr. Reed was particularly anxious that Mr. Delano should have an interest in surveying contracts. According to his own statement, as early as May or June, 1873, when, it will be remembered, he was out of office and was in Washington soliciting a re-appointment, he had a conversation with Ex-Secretary Delano in regard to the health of his son, who, it seems, was afflicted with a disease of the lungs, in which conversation he suggested that John should go to the mountains for the benefit of his health. Subsequently, he relates, he had an interview with Mr. Drummond, the Commissioner of the Land Office, with regard to the propriety of giving Mr. Delano a contract, and that that official advised him that he could properly do so. Dr. Reed, by his testimony, endeavors to create the impression that there was no intention to conceal the fact that Mr. Delano had an interest in surveying contracts, but that the transaction was an open one and in no way inconsistent with his sworn duty as a government official. He insists that the only reason why Mr. Delano's name was not inserted in the contracts, and he required to file his bond and take the oath, was because, on account of the sickness of his wife, he could not reach the Territory in time to comply with these requirements of the law. In this assertion the doctor is not sustained by the evidence. On the contrary, it is clearly proven that he used all means in his power to keep the matter a profound secret, and that he peremptorily discharged an honest and faithful clerk from his office because he, in the conscientious discharge of his duty, attempted to correct the abuses that were being practiced.

Mr. L. C. Stevens, who was chief clerk in Dr. Reed's office at Cheyenne, and who was removed because he endeavored to expose the dishonest transactions of

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the office, testifies in respect to the Hammond contract that at the instance of Dr. Reed he told Hammond that there was a chance for him to get work. He says, "I told him that if he was willing to go into the field and let Mr. Delano in on profits he could get work, and asked him if he would be willing to take a contract on such terms. I talked quite a while with him about it and talked freely. He was an intimate of mine and I advised him that that was the only show he had to get anything to do, and that he had better do that than be idle; that he would do pretty well out of it himself anyhow; that he had better do it, and he said he would. I then reported to Dr. Reed that I had seen Mr. Hammond and that it was all right; so the contract was let to Mr. Hammond." This witness says Mr. Delano "shared equally with Mr. Hammond in the profits." "As I understood," he says, "from conversations with the doctor afterward, Mr. Hammond had owned the outfit, the mules, the compass, and the equipments generally, and also did the work; and for the use of his outfit and for his services he was to receive $125 a month, which was deducted before the division." In answer to a question as to whether the witness had anything to do with the payment of money to Mr. Delano, he says, "Some time in November, 1874, the draft was received from the Treasury for Mr. Hammond in payment for those contracts. Mr. Hammond was not in town at that time. I received his mail when he was not in town and attended to his business, and I placed these Treasury drafts in the bank to his credit. Mr. Hammond had told me that he had given to Dr. Reed notes; that the doctor had required him to give notes for what was coming to Mr. Delano, and that they were all right. I was acquainted with the arrangement from the beginning. On the 21st of November, 1874, Dr. Reed showed me these notes given by Hammond; they were notes made on a form of the First National Bank of Cheyenne, and these [producing papers] are exact copies of the notes:

$400.] CHEYENNE, October 26, 1874.

On or before February 1, 1874, we jointly and severally promise to pay to John L. Merriam or bearer, out of the draft of my surveying contract No. 62, of May 20, 1874, as soon as received, $400 at the First National Bank of Cheyenne, for value received, waiving benefit of stay and exemption laws, with interest at two per cent. per month from maturity, till paid.

J. WESLEY HAMMOND.

$1,000.] WASHINGTON, October 26, 1874.

On or before February 1, 1874, we jointly and severally promise to pay to John L. Merriam or bearer, out of my survey contract No. 62, of May 20, 1874, $1,000 as soon as received, at the First National Bank of Cheyenne, for value received, waiving benefit of stay and exemption laws, with interest at two per cent. from maturity, till paid.

J. WESLEY HAMMOND.

The fact that the name of John L. Merriam was inserted in the above notes instead of that of Mr. Delano is another circumstance going to show the intention of Dr. Reed to cover up the transaction with Mr. Delano; and the reason for this name being put there will be found in the following letter, which is still stronger evidence that the parties desired that the fact that Mr. Delano had an interest in surveying contracts should be a secret:

INTERIOR DEPARTMENT,
WASHINGTON, D. C., May 26, 1874.

DEAR GENERAL—I have been detained by my wife's illness, but hope at least to get off to Saint Paul by Monday, and to reach Cheyenne in June. I shall have to return here by the last of June on my wife's account, but shall not go back west for the summer and fall.

Hope you will be able to put Merriam (I think it had better be in his name) into a good contract for me. I shall sadly need the profits for my summer's outlay—out of office, sick, unable to attend to my own affairs, runs me behind a good deal. Thanks for your kind letter.

Yours, truly,

J. S. DELANO.

This letter flatly contradicts the assertion made by Dr. Reed to the effect that the only reason why the name of Mr. Delano was omitted from the Hammond con-

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tract, and he not required to qualify as a deputy, was because he was unable to reach the Territory in time to do so. It will be observed the letter is dated six days after the date of the contract, and that the name of Merriam does not occur in any of the papers, excepting in the notes subsequently given by Hammond to secure the payment of Delano's share. The truth is, the Hammond contract had been awarded to him, with the distinct understanding that he was to divide the profits equally with Delano, some time before the latter had signified to Dr. Reed his intention of coming to the Territory.

If any other evidence were necessary to prove beyond the possibility of a doubt that it was the intention of the parties to keep the transaction entirely secret, it will be found in the conduct of Dr. Reed in removing Mr. Stevens, his chief clerk, so soon as he had ascertained that that gentleman had attempted to expose the affair to the authorities at Washington.

PROOFS OF ILLEGAL TRANSACTIONS SENT TO WASHINGTON.

Mr. Stevens testifies that Dr. Reed handed him the two notes given by Hammond to Medary, with a request that he collect them, and, as he had charge of Hammond's money matters during his absence in the field, he drew his check on the First National Bank of Cheyenne for $1,400, signed "J. Wesley Hammond, by L. C. Stevens," and with this money paid the notes. Five hundred and five dollars of this amount he gave to Dr. Reed, and with the balance, $895, he purchased a draft on New York, payable to the order of J. S. Delano. This draft, he says, Dr. Reed inclosed, with a letter directed to Mr. Delano. After the draft had been paid and returned to the bank, Mr. Stevens says he obtained possession of it, and in the latter part of March, 1875, inclosed it, together with other proofs of the transaction, to Hon. B. H. Bristow, with a request that he lay the papers before President Grant. At this time Dr. Reed was absent from the Territory, staying at St. Louis. Mr. Bristow testifies that he received the papers sent, and, in obedience to the request of Stevens, laid them before the President. That among the papers he thinks there was a letter from Ex-Secretary Delano to Dr. Reed, thanking him for some kindness done his son. That the papers related to surveying contracts in the Territory of Wyoming, and on their face showed evidence of improper transactions between the surveyor-general and John S. Delano. On the 28th of April, Dr. Reed, who, as has been stated, was in St. Louis, came to Washington City. Immediately upon his arrival he was informed by Mr. J. S. Delano and others that the President was in possession of these papers. Mr. Delano, it seems, from his own testimony, had seen the papers, they having been shown him by General O. E. Babcock, the President's private secretary. On receiving this information, Dr. Reed at once telegraphed his chief clerk, Mr. Stevens, as follows:

WASHINGTON, D. C., April 29, 1875.

Mr. L. C. STEVENS,
Surveyor-General's Office:
How did Campbell obtain D.'s letters to me about surveys?

SILAS REED.

Dr. Reed further testifies that on this same day he had an interview with the President; that he informed the President that the papers had been stolen; that one of them was a private or semi-official letter to him, and that he did not think it ought to be floating about, because it would be misunderstood or misinterpreted among strangers; that the President replied that he did not see that they amounted to anything; he had not thought enough of the matter to mention it to Secretary Delano or pay any attention to it, and that he would return the papers to J. S. Delano. After the interview with the President, Dr. Reed went to the telegraph office and sent a telegram to Cheyenne removing Mr. Stevens, his chief clerk.

The letter which the doctor alluded to as not desiring to have "floating around," for fear that it might be "misunderstood or misinterpreted by strangers," was an autograph-letter from Ex-Secretary Delano to Dr. Reed, written in the month of October, and some time prior to the date of the settlements between the deputy surveyors, in whose contracts J. S. Delano was interested, and the government. Mr. Stevens says that a month before sending the draft to J. S. Delano, Dr. Reed showed him this letter, and, in doing so, said, "I was writing the Secretary not long ago, and I mentioned to him that I was doing something

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for John out here. I got a letter from him this morning, and I want to show it to you. Just see how careful he is."

It was an autograph letter of Secretary Delano's, and addressed to Dr. Reed. The first part of it was in regard to some other work, which I did not pay any attention to or charge my mind with. The part to which he directed my attention and which he had referred to was like this: "You mention that you are doing something for John. I hope you will be careful not to do anything that will have the appearance of being wrong." In his testimony, Dr. Reed admits having received this letter, and that it contained a clause in which the writer thanked him for his kindness toward his son.

With regard to the surveys in which Orville L. Grant had an interest, the testimony of Mr. Stevens shows that a brother-in-law of Grant's, named Medary, had several heavy contracts, first under Surveyor-General Latham, subsequently under Dr. Reed. Stevens says, "The doctor told me in 1873 that Medary was to help Orville out of some of his debts." He also said that as Medary was "spending his money pretty fast, there would be nothing left for Orville." The witness further says that in the spring of 1874 he asked the doctor whether Medary had helped Orville out as he promised, and the doctor said that was fixed up all right. That in the summer of 1874 Medary had contracts all the while to large amounts. That one day the doctor asked witness what he thought Medary ought to make out of his work. Witness said, "Not less than $5,000, however he manage." The doctor added, "That's just what I thought, and just what I told Mr. Grant. I told Mr. Grant that that ought to be the basis, and that if Medary did not report that much profit, he had not managed his work right." This witness says that Medary was by no means a favorite of the doctor's. That the doctor told him one time that he did not like to have him about. That he wished Grant would get somebody else. He could get a man who would make more money for him and be pleasanter about the office. In a letter written from Washington by Dr. Reed to his clerk, he says: "Medary's last draft has gone to Cedar Falls, and O. L. G. seems worried that nothing has come from the source of his prosperity yet." In another portion of the letter he says: "I have this moment parted with O. L. G. I have suggested that he hire a good assistant and go out on his own hook next season, for all his plans seem to have failed this year, and it is not certain he will receive a dollar from M."

Dr. Reed does not deny that Grant had an interest in all the contracts given to Medary, although his name nowhere appears in any of the papers on file in the land office, nor was he in the Territory at any time while the work was being done. The testimony further goes to show that Medary himself was not a practical surveyor, and that the work allotted to him was done by a compass-man by the name of Corey, whom he employed by the month. Contracts were all awarded, as was the case in those in which Delano was interested, at the maximum price fixed by law.

Mr. Stevens also testifies that a man by the name of H. H. Houghton, who published a newspaper at Galena, Ill., called the *Galena Advertiser*, had an interest to the extent of $600 in a surveying contract to two deputies named James and Rodgers. He does not know certainly that Houghton received the money, but the deputies told him they had paid it. He says the doctor told him he intended to help Mr. Houghton, who was his old friend. That he had offered him a contract, but that he could not come out there to work, and so he was going to let some of the deputies make up to him about the amount he could make on a small contract.

Your committee believe that John S. Delano, Orville L. Grant, and H. H. Houghton rendered no service whatever to the government for the money received by them, but that they were mere "dead-heads" and pensioners upon the fund appropriated by Congress for surveys of the public lands in the Territory of Wyoming for the year 1874, and that Dr. Silas Reed, the surveyor-general of that Territory, violated his official oath by awarding contracts for surveying at the maximum price upon condition that the deputies would divide their profits with men who gave no equivalent for the money they received. The precise amount of the public money thus fraudulently and corruptly used the committee are unable to state, but it is quite certain that it amounts to several thousand dollars, and that the entire sum should have been saved to the government, because the evidence shows that the work could and would have been done by the deputies to whom the contracts were awarded at the price they actually received after deducting the amount each was compelled to pay to his silent partner as a bonus for his contract.

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In justification of his conduct in thus misapplying the public money, Dr. Reed says he was induced to offer Mr. Delano an interest in surveying contracts because he was unwell, and he, as a physician, knew that if he could get him to go to the mountains his health would be restored; that he was his father's only son, and as he, witness, had but one son, he had great sympathy for the father. As to Orville L. Grant, he had been burned out in Chicago and was poor; besides, Medary was a single man, while Grant had a family and was supporting Medary's mother, and he thought it was no more than right that the latter should divide profits with him. When it is remembered that one of these recipients of the government bounty is a near blood-relative of the then Secretary of the Interior and the other of the President, and that the sympathizing doctor held his official position at the pleasure of these two high officials, it will be seen that the motive which prompted him to relieve their necessities was as humane and unselfish as any that ever moved the philanthropic heart of the illustrious Pecksniff. Although the fact that this unfaithful official had been guilty of corruptly using the public money was known to the authorities by whose favor he held his office in March, yet he was permitted to retain his position until the month of August, when, as will be seen by the following letter of President Grant, his resignation was accepted:

LONG BRANCH, N. J., August 7, 1875.

DEAR SIR—Your letter of resignation of the 30th of July was duly received, but has not been acted upon until now. I have this day forwarded it to the Secretary of the Interior, with instructions to accept it, to take effect on the 10th of September, or as soon thereafter as your successor may qualify. In accepting your resignation allow me to say that I know of no reason to be dissatisfied with your administration of the office of surveyor-general. On the contrary, I believe it has been efficiently, and advantageously to the government, filled during your entire administration.

With sincere wishes for your welfare, and assurances of my personal friendship, I am, very truly, your obedient servant,

U. S. GRANT.

Dr. SILAS REED,
Surveyor-General, W. T.

Your committee deem it necessary, in order to prevent any misappropriation of the money set apart for defraying the expenses of surveying the public lands in the future, to recommend that the law regulating surveys should be so amended as to impose a penalty upon surveyors-general who may award a contract to any one not a skillful surveyor, and also a penalty upon any person receiving a contract who may neglect or refuse to superintend the work allotted him in person.

WM. MUTCHLER,
A. R. BOONE,
WM. B. ANDERSON.

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THE OFFICIAL BOUQUET SHOP.

WHAT IT COSTS TO SUPPLY OUR REPUBLICAN RULERS WITH FLOWERS.

The supervision of the Commissioner of Public Buildings and Grounds is at present confined to the President's house and the public grounds and reservations open to the public. The Capitol building and grounds are in charge of the architect appointed by the Secretary of the Interior; all the Department buildings, with the grounds attached thereto, are in charge of superintendents appointed by the heads of the Departments occupying them. In planting the grounds, the robust English plan of setting exclusively hardy plants, shrubs, and trees, formerly prevailed in Washington. The expensive mannerism of the French of studding the roads in summer with top-plants, preserved during the winter in greenhouses, has only obtained during the past few years around the Executive mansion. Nothing is required besides laying and taking up again annually a limited number of bulbs and pot-flowers, mostly for the Capitol grounds and the President's garden. The public grounds have long been well stocked with the most esteemed hardy shrubs, such as weigelias, spireas, grape, myrtles, etc. To keep the trees well trimmed and the grounds in good order, Congress appropriates annually, in the legislative, executive, and judicial appropriation bills, money for salaries of gardeners, foremen, laborers, clerks, and contingencies. Section 1799 of the Revised Statutes defines the status of these officials, thus: "The Chief of Engineers, in charge of public buildings and grounds, is "authorized to employ in his office and about the public buildings and grounds under "his control such number of persons for such employments and at such rates of "compensation as may be appropriated for by Congress from year to year." This law was openly violated by Babcock, and, as specimens, we quote the employment of his brother-in-law Geo. D. Benjamin, first as "Superintendent," and subsequently as "Overseer," at a salary of $2,000 per annum. In order to avoid the neglects to perform duties, and the limitations of laws as to amount of salary, Benjamin was carried on the pay-roll of laborers, engaged on the care and improvement of public grounds. In the same corrupt way he carried George Gideon, Boss Shepherd's *maitre de plaisir*, at a salary of $1,825, under the ridiculous pretence of "Inspector of Bridges."

Formerly it was the custom of Babcock's predecessors to propagate valuable plants on the grounds, and to increase this variety by exchanges, without extra expense. In the Sundry Civil Bill money was thus provided for manure, hire of carts, tools, trees, tree boxes, etc.; and specified sums were also added to pay for extra labor in extending the area of the cultivated reservations.

This unostentatious, honest, and efficient course has been radically changed since Orville E. Babcock got control of the office. He made it a cumbersome and expensive machine of corruption. His predecessors occupied rooms in the spacious basement of the Capitol, and their contingent expenses were, a few years ago, restricted to $250 per annum. Babcock rented the house above the grocery store, No. 2102 Pennsylvania avenue, which is convenient to his private mansion, for $1,500 per annum; diverted the funds for care and improvement of the public grounds to pay the rental, to erect stables in the rear of the lot, and to keep stylish horses, coupé, buggy and carriage, under the head of repairs, and even to board his dog, who has cost the United States, up to date, $500 for maintenance. To illustrate the outrageous nature of these charges for keeping up this fancy establishment, we transcribe, literally, a few of the official vouchers:

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(FORM 8.)

Appropriation for Improvement and Care of Public Grounds.

The United States (for repairing coupé), *To* John McDermott & Bro., *Dr.*

1871.

Oct. 31—For repairing, trimming, and painting government coupé.... .. $173 50

Received at Washington, this Nov. 3, 1871, from Major O. E. Babcock, Corps of Engineers, the sum of one hundred and seventy-three fifty one-hundredths dollars, in full payment of the above account. Check No. 76, dated Nov. 3, 1871, on Treasurer at Washington, for $173.50.

(Signed in duplicate) JOHN McDERMOTT & BROS.

I certify that the above account is correct and just.

O. E. BABCOCK,
Major of Engineers, U. S. A.

(FORM 8.)

Appropriation for Improvement and Care of Public Grounds.

The United States (for repairs), *To* J. McDermott & Bro., *Dr.*

1872.

May 31—For repairing coupé, office carriage, and buggy, from Aug. 8, 1871, to May 31, 1872..... $169 15

Received June 6, 1872, from Major O. E. Babcock, Corps of Engineers, the sum of one hundred and sixty-nine fifteen one-hundredths dollars, in full payment of the above account. Check No. 255, dated June 5, 1872, on Treasurer at Washington, for $169.15.

(Signed in duplicate) JOHN McDERMOTT & BROS.

I certify that the above account is correct and just.

O. E. BABCOCK,
Major of Engineers, U. S. A.

(FORM 8.)

Appropriation for Improvement and Care of Public Grounds.

The United States (for repairs), *To* John McDermott & Bros, *Dr.*

1872.

Sept. 25—For thoroughly repairing, trimming, and painting, including new wheels, axles, lamps, and trimmings complete. Application: "On coupé" $550 00

Received at Washington, D. C., this Oct. 19, 1872, from Major O. E. Babcock, Corps of Engineers, the sum of five hundred and fifty dollars, in full payment of the above account. Check No. 408, Oct. 19, 1872, on Treasurer at Washington, for $550.

(Singed in duplicate) JOHN McDERMOTT & BROS.

I certify that the above account is correct and just.

O. E. BABCOCK,
Major of Engineers, U. S. A.

(FORM 8.)

Appropriation for Improvement and Care of Public Grounds.

The United States (for repairs), *To* John McDermott & Bros., *Dr.*

1872.

July 2 to Nov. 30.—For painting, trimming, and necessary repairs on carriage and buggy. Application; office use.....$215 50

(Receipted, as above, Jan. 29, 1873.) Check No. 476, Jan. 29, 1873, on Treasurer, Washington, for $215.50.

I certify that the above account is correct and just, the articles to be (or have been) accounted for in my return for the first quarter of 1873.

O. E. BABCOCK,
Major of Engineers, U. S. A.

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NOW FOR A SPECIMEN OF THE DOG VOUCHERS.

(FORM 8.)

Appropriation for Improvement and Care of Public Grounds.

The United States (for sundries), *To* Patrick Sweeney, *Dr.*

1872.

Sept. 30—For board and care of dog for July, August, and September, three months, at $10. Application; used in place of watchman..... $30 00

(Receipted as above.) Paid by Check No. 328, dated Sept. 30, 1872, for $41, on Treasurer, Washington.

I certify that the above account is correct and just, the articles to be (or have been) accounted for in my return for the third quarter of 1872.

O. E. BABCOCK,
Major of Engineers, U. S. A.

We need scarcely add that the blooded animals, who drew the conveyances, appear to be exceedingly voracious and well clothed. The traveling expenses of foremen and overseers were not defrayed from the contingent funds, as everywhere else; these men received their mileage like any general of the army, but this has lately been stopped by the enforcement of the army orders.

HOW DO THE TAX-PAYERS LIKE THIS.

The Department of Agriculture, under authority of distributing valuable seeds through the country, had for years bought up new and old seeds, and spread them over the country through Senators and members of Congress. The Superintendent of the Botanical Garden was known to make capital for himself by lowering the standard of his establishment, and converting it into a shop for making up bouquets for use of the families of influential officials and members of Congress, and of late years both offices run a race in sending around the country young plants by mail. These splendid opportunities Babcock was not inclined to lose, and he made at once bold efforts to outdo both the Department of Agriculture and the Botanical Garden, and earn a corresponding amount of popularity at the expense of the United States. In his report, dated July 1, 1875, he states: "A package containing fifty papers of seeds was sent to each member of Congress. In addition to the seeds, an assortment of plants, 102 in all, were also set aside for each member, and either given to him here, or sent to any address that was furnished." * * In his annual report, dated July 1, 1876, he states: "Sixty-five thousand plants were distributed to members of Congress, being packed and sent by express or otherwise, as the members wished." These excrescences, of course, required an inordinate and stealthy increase of the greenhouses, for the service of which a force of salaried laborers, besides those authorized by law in the executive appropriation bill, were carried on the pay-rolls for care and improvement of public grounds. They cost the United States $400 per month. The misuse of the services of these men became public by a petition of the florists of Washington to Congress, in which they protested against the steadily increasing interference with their legitimate business by Babcock. It was established that he was in the habit of furnishing floral decorations for the homes of Ring officials when parties were given by them or any others whose influence he craved, and that he carried on a large business in manufacturing bouquets and expensive floral ornaments for show dinners and funerals, while his madame attended to the requirements of births, weddings, and other family affairs. An examination of Babcock's vouchers brought out the scandalous fact that over his certificate there was worked up in the manufacture of bouquets, bouquet-wire costing $102.82, twine costing $69.30, bouquet-green *bought* at an expense of $130, eight gross "Italiens" costing $63.50, wrapping paper costing $62.25; cut flowers were even bought when the supply of bouquets exceeded the yield of the greenhouses, and then the charges for tinfoil, bouquet holders, paper boxes for bouquets, are enough to disgust any decent man. The vouchers for wire skeletons of the more elaborate floral gifts, though incomplete, give at least some idea to what extent this nauseating business was carried on. There are definite charges for skeletons of 1,228 flower baskets, 224 wreaths, 183 crosses, 72 vases, and of anchors, crowns, flower-stands, etc.

BOILER AND STEAM PIPES FOR GREENHOUSE.

1871.

September 5.—A. R. Shepherd, 1 new boiler and pipes..... $664 94

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1872.	
November.—A. R. Shepherd, for heating apparatus	627 84
1873.	
September.—Witchings & Co., 1 new boiler	356 90
September 15.—A. R. Shepherd, refitting heating pipes of greenhouse	1,683 29
October 27.—A. R. Shepherd, plumbing at greenhouse	861 15
1874.	
.....A. R. Shepherd, plumbing at greenhouse	50 80
October 1.— " " overhauling greenhouse pipes	2 0 05
October 26.— " " 1 new boiler and pipes for greenhouse	1,255 07
December 12.—" " plumbing at greenhouse	165 88
1875.	
October 16.—A. R. Shepherd, 1 new boiler, and plumbing at greenhouse	616 76
Total	$6,512 68

A CORRUPT SYSTEM NURSED BY BABCOCK.

How Babcock succeeded in nursing up to its full growth such a corrupt system will be readily understood by the following statement. We have before us the annual report of one of his predecessors. Congress makes the appropriations in this sundry civil bill for specified objects, each of itself, and without making an addition of same. The civilian predecessors of Babcock drew against these items, and gave a detached account of the expenditure under each. This system of accountability Babcock discarded, and lumped these sums appropriated and drew against them *in toto*, so that his arbitrary will took the place of any system of checks, and he was thus master of the situation. The pay-rolls for labor and carts, exceeding often $10,000 per month, in the summer, and aggregating about $325,000, are nearly all signed by cross-marks, and were certified to by Babcock while he was basking in the sunshine at Long Branch. A. R. Shepherd got the jobs of furnishing about 900 very ricketty settees for the grounds, at $8 a piece, and next, Mr. Dermott, the carriagemaker in charge of the famous coupés, got $1 a piece for furnishing iron clamps to fasten them to the ground.

Again, Shepherd furnishes him an iron railing and charges in voucher No. 51, 2d quarter of 1875, therefor	$1,436 75
Next, in voucher No. 82, 2d quarter of 1875, for the stone blocks under the posts	201 25
Then, in voucher No. 108, 2d quarter of 1875, for altering it to grade, and setting it up	361 32
Total	$1,999 32

In fact, as long as Shepherd was in power, the office of commisssioner of public grounds was simply a tender to Shepherd's locomotive. Shepherd was by law to keep outside of the reservation, to lay simply pavements and sewers around them; the appropriations made for Babcock were to cover any and all expenditures inside the reservations. Shepherd relieved Babcock from such expenditures by taking this work, in any case the noble pair saw fit, off his hands, when Babcock had it measured, certified and charged to the United States, along with the street work, and thus funds remained available for jobbing.

One of numerous instances of the recklessness of these charges is furnished by the account of the vacant ground south of the President's house, and north of the Washington monument ground, between 15th and 17th streets, N. W. These grounds contain about thirty acres, are in part occupied by the extensive buildings, containing the machinery for the engraving and printing bureau of the treasury, had become low by the filling of the surrounding streets and were long a dumping ground for surplus earth from various sources, for which the Superintendent of Public Grounds allowed the sum of 12 cents per cubic yard. Babcock asked and obtained the following sums for these grounds:

For care and improvement of grounds south of Executive mansion (in sundry appropriation bills):

For fiscal year 1871–1872	$5,000 00
" " 1872–1873	10,000 00
" " 1873–1874	10,000 00
" " 1874–1875	10,000 00
" " 1875–1876	10,000 00
" " 1876–1877	5,000 00
Appropriated	$50,000 00

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In all this time not a tree has been set, a trifling amount of sewerage was defrayed by a separate appropriation, the work was confined to the dumping of earth, as stated above, and, according to the vouchers, the following has been paid on the account:

Fiscal year 1871–1872		nothing
" 1872–1873, 13,637 cubic yards dumped, costing		$1,850 96
" 1873–1874, 26,076 " " "		3,519 97
" 1874–1875, 25,899 " " "		3,107 88
" 1875–1876, 41,110 " " "		4,933 20
Add to this cost of removal of two old lodges from Capitol grounds to these grounds		800 00
Expended		$14,212 01

All these items are taken from the official vouchers, except the cost of the dump during last fiscal year, which has been inserted at former prices. This item will show the recklessness of Babcock's estimates and margins he has for corrupting the public service.

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HOW THE PEOPLE'S MONEY WAS WASTED.

The Committee on Expenditures in the Department of Justice of the House of Representatives at the late Session entered upon the duties imposed upon them immediately on their appointment.

The ramifications of the Department of Justice being so various, and extending into every State and Territory of the Union, the Committee felt that their attention should first be given to those evils and abuses which were the most common and universal, before turning to those which were merely local in their character. But as the work of the Committee advanced, complaints from different localities all over the Union were made, charging United States Marshals and their deputies, clerks of the United States Courts, United States Commissioners, district-attorneys, supervisors, and even judges, with all kinds of malfeasance in office. The Committee found it impossible to make a thorough investigation of all the different charges, but went so far into their investigation as the length of the session would permit.

The first thing investigated was the Attorney-General's Department, which was visited several times. The Committee found an unnecessary force of employés. It was also manifest a much larger amount had been appropriated for this Department than was necessary for an economical administration of the same. They recommended in their report a reduction of employés' salaries and contingent expenses, amounting in the aggregate to $25,200. They also reported to the Committee on Appropriations a recommendation cutting of all horses, carriages and vehicles attached to the Attorney-General's office, which was done, with the exception of one wagon left for the purpose of conveying books and materials to and from the other Departments. The Committee found that there had been, for some years, annually an appropriation of $50,000 for the detection and prosecution of crimes against the United States. This fund was under the direction and control of the Attorney-General, and had been principally used in hunting up the Ku-Klux cases in the South. Although this sum had been appropriated and expended, still there was no account rendered of its disbursement, and from the books of the office the Committee could not learn whether the sums were legally or illegally expended; they, therefore, made a thorough investigation of the matter.

It appears from their investigation that when the first appropriation was made Mr. Ackerman, who was then Attorney-General, sought the advice of some of the officers of the Treasury Department, knowing that that Department had a detective system for the pupose of securing the services of some one who was trusty and at the same time capable, to whom he could commit the business necessary to accomplish the object which Congress had in view in making the appropriation. He was referrrd to Col. H. C. Whitley, at that time the chief of the secret service division of the Treasury Department, whose services were secured. Mr. Ackerman instructed the disbursing clerk of his Department from time to time, to pay Col. Whitley such money as he required. Col. Whitley would write the Attorney-General, stating he wanted so much money, and would inclose his receipt. Upon that receipt the Attorney-General would direct the disbursing clerk to make the advances. Col. Whitley paid the money out, sometimes for services and sometimes for information in regard to crimes. He employed men to go into the Southern States and "enter into arrangements for discovering the persons engaged in Ku-Klux organizations" and sometimes these men were authorized to employ others to assist them, when such assistance could be used to advantage.

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Some of these men were never heard from after they were sent South by Col. Whitley. Generally he supplied them with money before they started. They would come to him, and be able, by laying the case before him, to convince him that they could do certain work, and he would take the chances of obtaining the desired information.

Col. Whitley's directions to these men were to go to a certain point and carry on what detectives call a "stall," that is, to pretend to be engaged in some class of business by which they conld make excuses for appearing among the people and becoming to some extent intimate with them. They were instructed, in this way, to get upon as good terms as possible with the people, and find out all they could about the Ku-Klux-Klan, and if there was such on organization at that point, to work into its secrets, and break it up. As an instance, some men were sent to a point in Alabama, where they bought out a grocery and liquor store and a billiard room, and went into that business as a blind, Col. Whitley furnishing the money for that purpose.

At other times Col. Whitley would say to his disbursing clerk, "Give this man $500," or "Give this man $1,000," and his clerk would do as directed. No returns of the money spent were ever made to the Department of Justice. Col. Whitley made returns of the amount of work done, but such returns did not show anything about how the money was expended.

There was not any book in the Attorney-General's Department, or in the Treasury Department, which showed an account of the money spent, except that it was paid to Col. Whitley, for which his receipts were taken. The whole sum was placed under the absolute of Col. Whitley, who spent it as he pleased, without being required to account for it further than to report the work which he was doing.

The Committee further ascertained that it had been the custom of the Department to furnish in an extravagant manner a room at the residence of the Attorney-General, also at the residences of the Assistant-Attorney-General and the Solicitor-General, as private offices for those officials.

The Committee regarded this as an extravagance, and an unauthorized use of the Government funds which could not be too strongly condemned.

Charges were made before the Committee against certain Marshals on account of having failed to settle their accounts as required by law. They recommended suits to be instituted against them by the Attorney-General. Certain other Marshals were dismissed after the Committee commenced to investigate their conduct. The Committee took considerable proof as to a too common custom of Marshals in taking blank receipts from their deputies.

In many instances, it was shown that Marshals were in the habit of taking receipts from their deputies for three-fourths of the amount of their gross earnings, when not more than half of the amount stated in the receipt was paid to the deputies.

In the case of S. H. Tourtelotte, for instance, who was connected with United States Marshal's office for the Northern District of Illinois from 1865 to 1873, it was shown that for the latter half year of 1867 the amount that was charged up to Mr. Tourtelotte in the emolument account of the Marshal, was $3,205.83, while the amount actually received by him did exceed $750. The gross amount of the emolument account for Mr. Tourtelotte's earnings for that period amounted to $4,274.45. The account purports to have paid Mr. Tourtelotte 75 per cent. of this sum, which was the maximum amount authorized by law; for the first half year of 1868, the emolument account showed that Mr. Tourtelotte had received 75 per cent. of his gross earnings amounting to $3,533.77, while the amount actually received by him did not exceed $1,000. For the last half year of 1858, the amount which the emolument account showed that Mr. Tourtelotte had received was $1,782.51, while the amount actually received by him did not exceed $750. For the period from January 1, 1869 to April 13, 1869, the emolument account showed that Mr. Tourtelotte had received $1,720.44, while he received not over $750. The foregoing transactions occurred while J. Russell Jones was the Marshal of the District. He was succeeded by Benjamin H. Campbell. After Mr. Campbell came into office from the 13th of April, 1869 to the 30th June, 1869, that being the balance of the first half of the year 1869, Mr. Tourtelotte is charged in the emolument account with having received $623.77, while he did not more than $375. For the last half of the year 1869, Mr. Tourtelotte, according to the emolument account, received $1,493.44, while the amount

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actually received by him did not exceed $850. For the first half year of 1870, he is charged in the emolument account with $1,496.48, while he did not receive more than $900. For the last half year of 1870, he is charged with having received $1,740.18, while the amount received by him did not exceed $750.

He is charged with $1,768.68 in the emolument account for the year 1871, which was at least $750 more than he received. For the first half year of 1872, he is charged with $1,116.68, while the amount he received did not exceed $750. For the last half of that year he is charged with $1,459.90, while the actual amount received by him did not exceed $1,000. For the first half year of 1873 he is charged with $1,500. He received probably $1,000. For the time from July to September of that year, when he left the office, he is charged with $687.01. He did not receive exceeding $500.

The receipts which were given by Mr. Tourtelotte for these amounts, and which are now on file in the Treasury Department, were all signed by him in blank, and the amounts subsequently filled in.

The Committee also found that, in some instances, the clerks were charging illegal fees, and that some of the Marshal's clerks and District Attorneys had failed to settle their accounts as required by law, and the committee took steps in the Department to require them to settle their accounts promptly.

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DEFALCATIONS.

$5,500,595.93 LOST TO THE GOVERNMENT SINCE 1869.

An Official Statement, showing Amounts Stolen in each case.

Senator Windom, in a speech made in the Senate on Aug. 16th, 1876, submitted "a statement" prepared by Assistant Secretary Conant, "to show what the losses were which had been sustained by the Government of the United States since 1869, to June 30, 1876, on account of defalcations by officers in the collection of Customs, Internal Revenue, Direct Tax, Receipts from Public Lands, miscellaneous sources, and disbursement of the same." According to this statement the total loss sustained in every way was only $1,276,882.60. (See Congressional Record, Aug. 17, 1876, page 12.)

To show how monstrously false the above statement is, we subjoin the following, by which it will be seen that the total losses to the Government from 1869 to June 19, 1876, by defalcations, are **$5,500,595.93.** And this, be it remembered, does not include the amounts stolen by corrupt officials who have combined with the whisky ring and smugglers to defraud the Government. The amount stolen by the whisky ring alone, since 1869, will, at a very low estimate, aggregate **$50,000,000.**

TREASURY DEPARTMENT,
WASHINGTON, D. C., June 19, 1876.

Hon. W. T. FERRY, President *pro tem.*, U. S. Senate:

SIR: I have the honor to acknowledge the receipt of Senate Resolution of February 9, 1876, calling for a statement of all the balances due to the United States from public officers, and all such balances due from other parties (no longer in the public service). * * * * * In reply, I have to transmit herewith the statement of balances called for, &c., &c.

Very respectfully,

(Signed) B. H. BRISTOW,
Secretary.

The subjoined table is copied from the above report, and is a correct transcript thereof.

LIST OF POSTMASTERS INDEBTED TO THE UNITED STATES WHOSE ACCOUNTS HAVE TERMINATED SINCE 1869, SHOWING THE AMOUNT DUE FROM EACH, &C., &C., AS REPORTED BY THE SECRETARY OF THE TREASURY TO THE U. S. SENATE ON JUNE 19th, 1876:

S. Chism, 1869–71, Newton, Mass.	$1,644 85
F. P. Arnold, 1869–74, N. Pembroke, Mass.	31 27
C. E. Grove, 1871–73, Gloucester, Mass.	1,428 35
P. H. Jones, 1869–73, New York, N. Y.	101,712 87
E. Wright, 1870–73, Princeton, N. J.	1,164 58
J. M. Skaamp, 1869–70, Malaga, N. J.	230 18
M. S. Brady, 1872–73, Millersville, Penn.	191 26
James Lewis, 1869–73, Wilmington, Del.	1,306 77
James Lewis, 1874, Wilmington, Del.	1,481 58
Daniel Price, 1870, Livingston, Ala.	392 71

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J. A. Robinson, 1871–72, Madison C. H., Va..... 155 92
D. H. Howard, 1871, Eastville, Va..... 650 59
J. W. Craycroft, 1869–71, Kanawha C. H., W. Va..... 2,403 50
R. R. Baker, 1866–72, Kanawha Station, W. Va..... 224 87
Miss B. Waddle, 1869–70, Capon Springs, W. Va..... 120 21
John W. Cole, 1872–74, Pittsylvania C. H., Va..... 110 97
M. W. Johnson, 1871–72, Charlestown, W. Va..... 902 67
John Beazley, 1869–70, Sparta C. H., Va..... 29 67
A. B. Woodcock, 1869, Piedmont, W. Va..... 984 53
Archibald Hunter, 1870–73, Hillsboro, N. C..... 106 59
Nathan Lankford, 1872, Fairview, N. C..... 722 17
J. P. Gillian, 1870–72, Stone Mountain, N. C..... 513 18
S. H. Fleming, 1871–72, Marion, N. C..... 156 40
P. H. Wilkins, 1870–73, Columbia, N. C..... 232 55
P. B. Jowers, 1869–74, Lilesville, N. C..... 131 71
Jennie McElrath, 1871, Morgantown, N. C..... 188 13
M. M. McDonald, 1870, Lumberton, N. C..... 295 93
E. McR. Ivey, 1870–71, Lumberton, N. C..... 341 59
Osmond Witter, 1873–75, Camden, S. C..... 505 33
Osmond Witter, 1873–75, Camden, S. C..... 1,331 80
W. Hummell, 1871–73, Williston, S. C..... 571 65
E. Cannon, 1871–73, Spartansburg, S. C..... 1,552 85
" 1872–73, " " 236 40
Samuel Place, 1870–72, Camden, S. C..... 117 41
F. H. Hubbell, 1869, Orangeburg, S. C..... 200 00
J. W. Hayward, 1870, Edgfield, S. C..... 342 95
W. T. Crane, 1871–73, Athens, Ga..... 234 88
M. M. Morgan, 1875, Washington, Ga..... 445 96
L. Claiborne, 1871–72, Lawrenceville, Ga..... 67 96
C. S. Evans, 1870–72, Ringgold, Ga..... 1,688 85
J. H. Washington, 1869–71, Macon, Ga..... 3,539 22
C. K. Osgood, 1871–73, Savannah, Ga..... 3,592 66
W. B. Jones, 1872–73, Montezuma, Ga..... 344 07
H. W. McCrainie, 1873–74, Stockton, Ga..... 78 18
D. Whelan, 1869–70, Newman, Ga..... 236 66
A. T. Shackleford, 1870, Thomaston, Ga..... 231 87
C. J. Brown, 1869–71, Thomasville, Ga..... 139 76
S. A. Whitefield, 1869, Harrell, Ga..... 115 27
Reuben Marshall, 1872–74, St. Marks, Fla..... 143 03
E. H. Reed, 1871, Jacksonville, Fla..... 813 94
E. L. Young, 1873–74, Archer, Fla..... 4,191 02
H. P. Lovering, 1870–72, Cedar Keys, Fla..... 481 91
John T. Jolly, 1870, Cedar Keys, Fla..... 679 53
J. C. Emerson, 1872–74, Fernandina, Fla..... 645 94
M. Scarborough, 1869, Wellborn, Fla..... 117 66
S. C. Green, 1869–70, Sanderson, Fla..... 111 43
W. Richter, 1869–70, Warrington, Fla..... 1,114 52
" 1870, " " 63 73
E. H. Reed, 1869–71, Jacksonville, Fla..... 784 95
R. M. Byrd, 1872–74, Burnsville, Fla..... 63 85
J. T. Morris, 1874–75, Chambers C. H., Fla..... 92 64
C. H. Davis, 1873–74, Union Spring, Fla..... 1,498 15
C. W. Dustan, 1872–73, Demopolis, Fla..... 441 39
W. W. Brown, 1870–72, Randolph, Fla..... 255 85
H. W. Warren, 1870–72, Leighton, Fla..... 552 70
T. E. Warren, 1873–74, Birmingham, Fla..... 1,475 95
T. E. Warren, 1873, Birmingham, Fla..... 260 74
R. M. Evans, 1874, Ladiza, Fla..... 117 41
G. W. Brown, 1869–71, Marion, Ala..... 344 50
I. W. Gates, 1873–74, Pickensville, Ala..... 144 80
C. H. Davis, 1873, Union Springs, Ala..... 876 60
M. O'Brien, 1872, Georgiana, Ala..... 570 36
John Lamb, 1870–72, Athens, Ala..... 1,217 42
W. H. Tennent, 1869–71, Centre Star, Ala..... 23 98
T. E. Warren, 1873–74, Birmingham, Ala..... 814 99
C. M. Hopson, 1869–70, Talladeza, Ala..... 307 45
G. W. Brown, 1869–71, Marion, Ala..... 1,218 88
A. D. Jones, 1871–74, Corinth, Miss..... 712 33
H. C. Manken, 1873–74, Winona, Miss..... 227 50
T. D. Johnson, 1874, Rodney, Miss..... 646 75
N. B. Ward, 1872, Bahala, Miss..... 167 40
G. W. Smith, 1873–74, Bahala, Miss..... 102 14
P. W. Ingram, 1870–74, Byhalia, Miss..... 99 96

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A. D. Jones, 1871–74, Corinth, Miss	605 84
I. I. Gibson, 1870–71, Corinth, Miss	279 91
A. Leffingwell, 1870–75, Woodville, Miss	984 11
N. C. Smith, 1870, Port Gibson, Miss	1,520 05
I. B. Weatherby, 1869–71, Paulding, Miss	257 81
C. M. Baskin, 1869–70, Hazlehurst, Miss	547 01
W. C. Gilmer, 1869–70, Greenville, Miss	634 20
E. M. Pepper, 1869–71, Monticello, Miss	370 72
I. H. Sharrer, 1872, Terre Bonne, La	89 85
J. F. Yates, 1873–74, Conshatta Chute, La	233 37
Charles Levy, 1869–72, Nachitoches, La	1,957 32
Robert Luckner, 1869–70, Cheneyville, La	134 52
W. T. Jackson, 1869–73, Big Cane, La	197 80
W. C. James, 1869–73, Cotile, La	50 53
H. Rieder, 1870–71, Vacherie Road, La	50 72
D. P. C. Hill, 1871–72, Opelousas, La	575 79
H. Schlesinger, 1873–74, Terre Bonne, La	49 43
H. B. Holcomb, Jr., 1872–73, Terre Bonne, La	80 65
Simon Fox, 1872, Delhi, La	94 93
J. E. Yerkes, 1870–74, Tangapaho, La	27 18
J. O'Callahan, 1871–74, Jackson, La	574 81
J. E. Horanson, 1871–72, Boulte, La	522 98
J. L. Belden, 1870–73, Honma, La	1,573 01
R. W. Francis, 1869–70, Honma, La	7,865 33
R. W. Francis, 1869–70, Honma, La	987 04
A. Lalley, 1869, St. Joseph, La	238 20
W. A. Moulton, 1869, Bastrop, La	141 07
J. A. Woodry, 1871, Milliken's Bend, La	420 72
E. Fontenette, 1869–71, St. Martinville, La	326 06
J. N. Barthalow, 1872, Mexia, Texas	345 35
Edward Fink, 1871–72, Sabine Pass, Texas	96 60
J. G. Hardin, 1872–73, Comanche, Texas	238 43
N. W. Lane, 1871–72, Eagle Lake, Texas	161 96
P. W. Hall, 1872–73, Calvert, Texas	603 09
P. W. Hall, 1870–71, Calvert, Texas	86 72
Jesse F. Rasburg, 1872–73, Tyler, Texas	135 08
Jesse F. Rasburg, 1872–73, Tyler, Texas	293 48
H. W. Saddler, 1871, Valley Mills, Texas	76 60
John Flynn, 1871–72, Tyler, Texas	1,403 94
E. A. Gage, 1872–74, Barnard's Mills, Texas	58 32
E. C. Thornton, 1872–73, Stephensville, Texas	128 11
S. Lockett, 1871–73, Cleburne, Texas	594 79
W. M. Seeley, 1873–74, Fairfield, Texas	68 95
T. P. Terrell, 1873–74, Calvert, Texas	1,626 64
Miss D. Houston, 1871–72, Springfield, Texas	176 43
P. W. Hall, 1872–73, Calvert, Texas	1,073 76
John C. Smith, 1872–73, Belton, Texas	752 75
E. S. Graham, 1872–73, Henderson, Texas	208 45
I. M. Taylor, 1871–72, Long View, Texas	961 87
F. W. Rhinehardt, 1871–72, Groesbeck, Texas	541 98
J. W. Tompkins, 1869–74, Ironwood, Texas	79 29
John Flynn, 1871–72, Tyler, Texas	867 13
A. W. Prewett, 1872–73, Millican, Texas	199 64
G. W. Farron, 1872–73, Groesbeck, Texas	425 94
F. C. Bauman, 1872–74, Sumpter, Texas	46 84
C. S. Gillespie, 1871–72, Calvert, Texas	772 73
W. W. Knight, 1871–74, Waxahatchie, Texas	846 87
James King, 1871–72, Fairfield, Texas	95 03
T. P. Terrell, 1873–74, Calvert, Texas	922 66
V. P. Caldwell, 1872–73, Navasoto, Texas	322 67
B. F. Boldridge, 1871–72, Millican, Texas	51 63
A. B. Hall, 1874, Galveston, Texas	10,181 12
F. W. Rhinehardt, 1871, Groesback, Texas	527 32
W. P. de Normandie, 1869, Austin, Texas	2,452 95
S. D. Belden, 1871–73, Washington, Ark	1,171 25
R. T. Markham, 1872–73, Lewisburgh, Ark	394 84
E. Bancroft, 1874–75, Texarkana, Ark	282 49
E. A. Fulton, 1874, Monticello, Ark	1,192 40
J. B. Smith, 1871–73, Locksburgh, Ark	141 91
J. W. Rawlings, 1871–74, Rose Mary, Ark	45 57
Wm. L. Harris, 1871–73, Cypress Creek, Ark	35 70
W. J. Neeley, 1871–74, Hartsville, Tenn	4,063 75
G. W. Martin, 1869–75, McMinnville, Tenn	328 64

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W. J. Neeley, 1869–73, Hartsville, Tenn	225 96
T. J. Nichols, 1869–73, Sweet Water, Tenn	130 34
S. F. Scott, 1874, Wartburg, Tenn	52 72
C. B. Coffin, 1870–71, Camp Stanton, Ala	240 11
Robt. C. Gist, 1869, Memphis, Tenn	7,613 79
G. W. Martin, 1869–70, McMinnville, Tenn	262 82
C. W. Preddy, 1868–71, Monticello, Ark	807 24
J. W. Johnson, 1873, Moorehead, Ky	21 21
G. W. Gooley, 1872, New Holland, Ohio	590 78
N. P. Guffy, 1871, Celina, Ohio	272 23
L. H. Jewett, 1870–75, Reynolds, Ind	685 72
S. Prater, 1870–71, Sweetsers, Ind	157 71
A. C. Lovejoy, 1869–71, Americus, Ind	109 68
L. H. Jewett, 1870–75, Reynolds, Ind	182 71
D. L. Ford, 1869–70, Ft. Wallace, Kansas	125 80
D. G. Rose, 1869, Indianapolis, Ind	8,068 00
C. P. Ford, 1869–71, Clinton, Ill	462 81
W. T. Monical, 1872–73, Louisville, Ill	395 19
B. Bishop, 1871–72, Freemanton, Ill	195 87
P. J. Melling, 1870, Buckinn, Ill	365 73
J. E. Barnum, 1871–73, Morgan, Mich	159 77
T. L. Reynolds, 1871–73, St. Joseph, Mich	1,221 23
J. L. Perry, 1871–74, Eagle, Wis	199 77
J. T. Moore, 1873, Lebanon, Mo	407 42
W. H. Mass, 1868–70, Clarkville, Mo	240 38
Robt. Hornsey, 1870, Potosi, Mo	149 34
W. B. Proctor, 1870, Morley, Mo	185 82
A. J. Buchanan, 1870–73, Ramey, Mo	365 65
Owen Wilson, 1870–74, Milan, Mo	134 57
Wm. H. Morrow, 1869–72, Tipton, Iowa	2,968 58
E. M. Day, 1872–73, Casey, Iowa	200 00
W. H. Morrow, 1869–72, Tipton, Iowa	565 87
W. A. Weaver, 1871–72, Delevan Station, Minn	110 68
H. D. O'Brien, 1871, St. Anthony's Falls, Minn	920 39
S. T. Martin, 1872–73, Council Grove, Kansas	124 23
J. F. McDowell, 1870, Columbus, Kansas	237 02
M. J. Martin, 1872, Arkansas City, Kansas	192 47
C. C. Moore, 1871–72, Carbondale, Kansas	174 66
G.W. Williams, 1869–76, Cottonwood Falls, Kansas	176 27
E. H. Doyle, 1871–72, Sumner, Kansas	85 21
J. S. B. Coggershall, 1869–71, Harristown Station, Miss	367 63
R. Calhoun, 1870–71, Lyndon, Kansas	363 38
L. J. Martin, 1872–73, Council Grove, Kansas	459 49
T. E. Sawyer, 1869, Eugene, Kansas	174 97
R. B. Lockwood, 1869–71, Council Grove, Kansas	1,691 28
J. P. Hogan, 1870, Brookville, Kansas	409 56
J. A. Scarborough, 1874, Jewell, Kansas	130 38
J. D. Coulter, 1870–71, Oswego, Kansas	932 76
B. S. Heath, 1870–71, La Cygne, Kansas	628 90
J. A. Oliphant, 1871–73, Boston, Kansas	123 04
G. W. Williams, 1872–73, Cottonwood Falls, Kansas	124 56
L. H. Fletcher, 1869, Topeka, Kansas	553 27
" " " "	2,144 47
D. Cartwright, 1874–75, Boston, Kansas	115 19
W. H. Leutz, 1869, Petaluma, Kansas	1,776 99
W. T. McDonald, 1873, Half Moon Bay, Kansas	402 21
W. H. Leutz, 1870, Petaluma, Kansas	787 10
T. W. Abraham, 1873–74, Pioche, Nevada	1,920 23
G. Vandeventer, 1872–73, Falls City, Nevada	428 70
" " " "	294 89
B. F. Small, 1869, Carson City, Nevada	2,888 78
C. Morrill, 1870, Diamond Mountain, Nevada	230 32
W. D. Toers, 1869, Hamilton, Nevada	1,094 23
W. R. Parrish, 1872–73, Mineral City, Nevada	164 23
H. M. Barnes, 1872–73, Pioche, Nevada	1,367 32
" 1871–72, " "	935 37
G. W. Howland, 1869–70, Santa Fe, New Mexico	2,707 47
G. T. Martin, 1869, Santa Fe, New Mexico	1,033 96
A. P. Sullivan, 1871–72, Santa Fe, New Mexico	190 41
" " " "	2,106 24
E. Everett, 1872–73, Santa Fe, New Mexico	1,376 22
T. E. McLelland, 1870, Cheyenne, Wyoming	4,481 62
G. W. B. Dixon, 1870–71, South Pass City, Wyoming	1,070 30

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Henry Greene, 1872–73, Diamond, Utah	256 43
I. H. Teats, 1870, Sherman, Wyoming	395 25
G. W. B. Dixon, 1869–70, South Pass City, Wyoming	2,493 81
G. W. Barnard, 1870–71, Prescott, Arizona	1,959 46
" " " "	1,977 66
E. Bancroft, 1874, Texarkana, Ark	298 79
H. A. Filler, 1873, Grenada, Colorado	152 45
F. Bern, 1871–73, Ziskov, Dakota	81 69
C. H. McIntire, 1873–74, Yankton, Dakota	502 40
J. McElroy, 1871, Beartown, Dakota	146 76
T. A. Foster, 1874, Verbera, Alabama	52 74
W. H. P. Denney, 1869–74, Circleville, Ohio	1,343 74
I. W. McDonough, 1873, Galveston, Texas	6,858 59
I. C. Council, 1872–74, Nacogdoches, Texas	165 17
I. F. Baird, 1873–75, Columbia, Tenn	759 20
John Potter, 1869, Helena, Montana	8,643 20
Samuel Harper, 1869, Houston, Texas	653 82
D. Hay, 1868–70, Egg Harbor City, N. J	197 45
A. B. Southall, 1870, Hamburgh, S. C	420 21
W. E. O'Neill, 1872, Napoleon, Arkansas	721 46
C. W. Pressley, 1870, Trenton, Georgia	96 06
A. W. Pickering, 1870–71, Oswego, Kansas	411 00
Martha Steed, 1869–71, Uniontown, Ala	275 58
Jane Aekers, 1870, Lovely Mount, Va	142 11
J. M. Brossell, 1870, Forest, Miss	214 54
Elizabeth Cowan, 1871, Chatterton, Va	705 19
G. W. Graham, 1871, Stevenson, Ala	415 59
S. M. Reaves, 1869–72, El Dorado, Oregon	103 63
D. C. Tomlinson, 1870–71, Stuart, Iowa	507 77
Jonathan Davidson, 1871, Richmond, Ala	260 16
C. E. Gibson, 1872, Dave's Mines, Va	155 08
F. H. Lee, 1873, Fulton, Arkansas	249 02
M. E. H. Lee, 1873, Nebraska, Va	180 20
Chas. A. Rogers, 1871–72, Alma, Va	168 50
D. A. Borfield, 1874, Shelby Springs, Ala	219 97
E. R. Petherbridge, 1873, Pittsburgh, Pa	393 32
J. R. Smith, 1871, South Gaston, N. C	200 13
E. McK. Irey, 1870–71, Lumberton, N. C	341 59
M. McDonald, 1870, Lumberton, N. C	295 93
J. M. Skarup, 1869–70, Malaga, N. J	230 18
C. T. Tapsicot, 1872–75, Kilmarnock, Va	106 04
Julius Shain, 1870, Wheeling, La	109 40
P. L. Crossman, 1870, Newton, Iowa	378 39
E. A. Kingman, 1873–75, West Somerville, Mass	115 50
A. Keyser, 1873–75, Havana, N. Y	445 93
A. E. Cherry, 1875, Bar River	109 72
A. G. Smith, 1871–75, Buena Vista, Ga	103 97
A. S. Richardson, 1873–75, Chester C. H., S. C	331 04
W. E. Williams, 1874–75, Orangeburg, S. C	625 25
B. J. Clay, 1874–75, Brookville, Miss	107 92
A. K. Davis, 1874–75, Macon, Miss	481 58
A. Robbins, 1873–75, Aberdeen, Miss	365 78
P. Casey, 1873–75, Vicksburg, Miss	1,634 95
S. Good, 1875, Cherry Camps, Va	100 06
M. H. Brooks, 1874–75, Huntington, W. Va	235 94
W. H. Wilder, 1872–75, Amite City, La	408 73
P. Landry, 1873–75, Donaldsonville, La	197 30
J. D. Harper, 1872–75, Meriden, La	140 94
J. F. DeVarges, 1872–74, Natchitoches, La	238 18
A. L. Steele, 1873–75, Groesbeck, Texas	166 34
J. Murray, 1872–75, Lake Village, Texas	290 87
C. T. Coffin, 1872–75, Madison, Ind	355 39
W. C. Snyder, 1871–75, Fulton, Ills	381 00
J W. Andrews, 1872–75, Indianola, Iowa	104 05
W. K. Beylip, 1874–75, Wheatland, Iowa	167 50
H. Lumback, 1873–75, Maxfield, Iowa	101 96
L. W. Slaughter, 1874–75, Bismarck, Dakota	100 00
J. N. Bond, 1872–75, Mesilla, New Mexico	289 40
Wm. Polleys, 1871–75, Waverly, N. Y	282 52
A. E. Laird, 1873–75, Clayton, Ala	321 42
J. E. Whitney, 1873–74, Houston, Texas	764 47
A. Thompson, 1870–75, Clarksville, Texas	397 77
M. E. Coffey, 1871–75, Barrett C. H., Texas	112 60

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W. Jones, 1874–75, Dallas, Texas	316 31
J. Winnox, 1871–74, Concha, Texas	201 17
H. S. Webb, 1873–74, Belton, Texas	141 19
J. Donaho, 1870–75, West Union, W. Va	150 11
A. J. Sherwood, 1872–75, Thayer, Kansas	428 65
S. A. Mack, 1873–75, Cottonwood Falls, Kansas	126 94
J. C. Warner, 1871–75, Bunker Hill, Kansas	231 98
R. L. West, 1874–75. Wichita, Kansas	1,512 56
H. Tucker, 1871–74, Sigle, Texas	125 80
R. K. Brost, 1874–75, Elkhart, Ind	594 15
W. Goodall, 1873–75, Monticello, Fla	137 33
R. H. Prester, 1869–75, Louisberg, Pa	486 58
T. J. Tickerson, 1869–74, Mason, Tenn	123 22
F. W. Marshall, 1871–75, Cherryville, La	227 06
M. McPherson, 1873–75, Effingham, Ill	162 04
J. C. McCoy, 1871–73, Versailles, Mo	201 41
E. Everett, 1874–75, Windsor, Mo	131 49
T. J. Lee, 1875, Monticello, Mo	152 32
J. F. Rousey, 1874–75, Eureka, Nevada	226 65
J. A. Sowood, 1872–74, Kit Carson, Col	233 83
E. L. Bennett, 1874, Clyde, N. J	143 65
R. L. Hipplin, 1873–74, Dripton, Fla	166 27
G. Hunt, 1875, Hartsells, Ala	104 78
W. H. Gillian, 1874, Seattle, Washington Territory	443 00
A. S. Gibbs, 1875, Wilson, Kansas	157 06
* Sundries, 1869–75	40,000 00
Total	$373,371 74

BALANCES DUE THE U. S. FROM EX-U. S. MARSHALS ON ACCOUNT OF EXPENSES OF COURTS FROM 1869 TO JUNE 19, 1876:

Name.	*District.*	*Date.*	*Amt. Due U. S.*
Q. E. Thomas	N. Alabama	1871–75	$1,653 43
Edw. Phelphs	Arizona	1871	9,480 84
Isaac Dickason	Arizona	1871–74	5,710 15
J. C. Mills	E. Arkansas	1872–75	683 84
W. A. Britton	W. Arkansas	1872–73	48,991 60
John N. Sarber	W. Arkansas	1873–74	63,456 99
M. A. Shaffenberg	Colorado	1872–75	22,740 69
†Geo. E. Wentworth	N. Florida	1869–71	1,367 54
Geo. D. Allen	S. Florida	1874	576 17
H. W. Moulton	Idaho	1869–70	955 33
A. W. Patterson	N. Mississippi	1869–70	3,877 42
C. A. Newcomb	E. Missouri	1873–75	23,168 32
Thomas G. Young	Oregon	1869–74	5,762 10
E. M. Gregory	E. Pennsylvania	1869–71	1,186 72
J. H. Blackburn	M. Tennessee	1870	10,000 00
T. J. Harrison	M. Tennessee	1870–71	929 12
J. M. Tomeny	W. Tennessee	1870	12,194 23
"Tom" Ochiltree	E. Texas	1873–74	9,248 64
Philip Retz	Washington Territory	1869–70	241 57
F. Wolcott	Wyoming	1872–75	20,829 31
G. Adams	Wyoming	1875	6,206 00
Total			$249,260 01

BALANCES DUE THE U. S. FROM OFFICERS OF COURTS ON ACCOUNT OF OFFICIAL EMOLUMENTS, FROM 1869 TO JUNE 19, 1876:

Names.	*District.*	*Date.*	*Amt. Due U. S.*
S. T. Carrow, Marshal	North Carolina	1872–73	$46,914 28
A. Drake, Clerk Circuit Court	Missouri	1872	278 05
C. Claiborne, Clerk Dist. Court	Louisiana	1873	10,875 50
Total			$58,067 83

☞ Since the above report was transmitted to the Senate by the Secretary of the Treasury, the defalcation of the late H. Bucher Swoope, U. S. District-Attorney for the

* In amounts too small to print.
† Afterwards appointed Postmaster of Pensacola.

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Western District of Pennsylvania, from 1872 till 1874, in the sum of $20,000, has been made public.

BALANCES DUE THE U. S. FROM GOVERNORS AND SECRETARIES OF TERRITORIES:

Name.	*Rank.*	*Territory.*	*Date.*	*Amt. due U. S.*
J. M. Ashley	Gov	Montana	1869–70	$1,500 00
*E. J. Curtis	Gov	Idaho	1871	242 08
Alvan Flanders	Gov	Washington	1869	1,250 00
J. W. Jenkins	Sec'y	Colorado	1874–76	3,370 31
E. M. Lee	Sec'y	Wyoming	1869–70	593 86
Edw. M. McCook	Gov	Colorado	1874–75	1,000 00
W. A. Pile	Gov	New Mexico	1869–71	2,000 62
J. W. Schaffer	Gov	Utah	1870	63 37
V. H. Vaughan	Gov	Utah	1870	500 00
T. M. Wilkins	—	Dakota	1869–70	267 98
Total				$10,788 22

BALANCES DUE THE U. S. FROM SUNDRY PUBLIC OFFICERS, &C., &C., OUT OF SERVICE, FROM 1869 TO JUNE 19, 1876.

Name.	*Official Position.*	*Date.*	*Bal. due U. S.*
W. H. Armstrong	Disbursing Agent, Court House, at Williamsport, Pa	1871	$3,000 00
F. W. Dimon	Disbursing Clerk, State Department	1871–73	2,634 00
L. S. Hanks	Disbursing Agent, C. H. & P. O., at Madison, Wisconsin	1870–71	195 60
D. M. French	Disbursing Agent, Branch Mint, Dallas City, Oregon	1869–71	1,211 98
F. D. Hettuck	Superintendent Mint, Carson City, Nevada		26,753 12
J. R. McBride	Superintendent. Assay Office, Boise City, Idaho	1871–72	3,923 85
F. W. Clemens	Disbursing Clerk, Interior Department	1870–73	422 37
Henry D. Cooke	Treasurer House of Correction for boys, Soldier's and Sailor's Orphan Home, Building and ground, Reform School, Dist. Col.	1866–73	177,500 00
F. A. McCartney	Disbursing Clerk, P. O. Dep't	1869–71	35,000 00
Henry D. Cooke	Treasurer Reform School, Dist. Columbia	1872–73	10,000 00
B. Vaughan Abbott	Disbursing Agent	1870–73	279 82
S. B. Kendig	Disbursing Agent, New Jail, Dist. Columbia	1871	4,793 08
Total			$265,713 12

BALANCES DUE THE U. S. FROM *late* ASSESSORS OF INTERNAL REVENUE.

Names.	*Collection Dist.*	*Date.*	*Amt. due U. S.*
T. F. Shaw	2 Ohio	1869–71	$948 33
Elias Nigh	11 Ohio	1873	159 87
Joseph R. Smith	21 Penn	1869–73	361 30
Total			$1,469 50

BALANCES DUE THE U. S. FROM EX-COLLECTORS OF INTERNAL REVENUE, ON THEIR ACCOUNT, AS DISBURSING AGENTS, FROM 1869 TO JUNE 19, 1876.

Name.	*No. of Dist.*	*State.*	*Date.*	*Amt. due U. S.*
Francis Widner	2	Alabama	1869–73	$5,434 06
Alfred Briggs	4	California	1873	5,158 11
I. H. Gould	1	Georgia	1869–72	176 93
James Atkins	4	Georgia	1872	6,458 21
J. Cary Greer		Idaho	1873	3,014 71
C. B. Wilkinson	6	Missouri	1873–75	794 75
M. H. Treadwell	2	New York	1871–73	7,044 46
Jesse Taylor	6	Tennessee	1871–72	78 70
A. J. Crane	3	Vermont	1874	3,783 99
Hazard Stevens		Washington Territory	1871	1,574 18
Total				$33,518 10

* He is now Secretary of the Territory. Balance due will be deducted from his salary.

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BALANCES DUE THE U. S. FROM LATE STAMP AGENTS, FROM 1869 TO JUNE, 1876.

Name.	*Location.*	*Date.*	*Bal. due U. S.*
Rush Burgess	Richmond, Va	1870–75	$351 99
R. H. Brentlinger	Greenville, Miss	1871–73	657 62
W. E. Cunningham	Bristol, Tenn	1871	149 03
J. N. Camp	Galveston, Texas	1870–73	2,719 76
Daniel R. Chambers	Emory C. H., Texas	1871–73	296 50
L. C. Dils	Piketon, Ky	1869–72	159 50
J. L. Edwards	Pawnee City, Neb	1869–70	420 32
B. B. Emory	Corinth, Miss	1870–71	3,254 25
John T. Foster	Mobile, Ala	1870–73	1,508 50
J. M. Gayle	Camden, S. C	1873	643 40
John H. Gould	Savannah, Ga	1869–72	9,289 71
G. E. Green	Jackson, Tenn	1865–72	2,188 08
Frank W. Glenn	Galveston, Texas	1869–70	4,498 82
Samuel Harper	Houston, Texas	1871	3,040 64
C. W. Hatch	Greensborough, Ala	1869–71	284 65
Luther Menning	Warrington, Fla	1872–73	361 73
S. M. Preston	Natchez, Miss	1869–73	454 32
Wm. Price	Grenada, Miss	1870–72	226 47
W. M. Smallwood	New Orleans, La	1869	8,159 40
W. R. P. Seaman	St. James, Mo	1869–71	832 85
R. W. Taliaferro	New Orleans, La	1869	27,908 33
R. S. Van Wey	Clarksville, Texas	1871–73	359 89
Francis Widiner	Montgomery, Ala	1869–73	1,541 18
Total			$69,306 94

BALANCES DUE THE U. S. FROM DIPLOMATIC AND CONSULAR OFFICERS FROM 1869 TO JUNE, 1876.

Name.	*Rank—Location.*	*Date.*	*Amount due Gov't.*
Aukersmit, H. J.	Vice-Consul, Batavia, Java,	1871–74	$89 24
Brown, J. P.	Sec. Legation, Constantinople	1872	4,029 48
Brand, J. C.	Consul, Nuremburg	1870–71	1,603 09
Coffey, T. J.	Sec. Legation, Russia	1869–70	1,990 53
Duff, W. L.	Consul, Glasgow,	1869	2,552 21
Davy, Herbert	Consul, New Castle, O. T.	1876	129 93
Dezeyk, A. J.	Vice-Consul, Leipsic	1870	131 20
Francis, J. W.	Minister to Greece	1871–73	8 93
Goulding, C. W	Consul, Hong Kong,	1869–70	211 50
Hole, W.	Vice-Consul, Singapore,	1871	139 84
Irish, O. H.	Consul, Dresden	1869–72	110 27
Jourdan, Alex	Consul, Seville and Venice	1869–74	32 97
Lyon, Lemuel	Consul, Kanagawa	1869–71	1,247 20
LeGendre, C. W.	Consul, Amoy and China	1872	537 04
Long, J. D.	Consul, Montevideo	1870	1,707 67
Moore, W. F.	Vice-Consul, St. Croix	1871–74	335 00
Moore, J. E.	Consul General, Monrovia	1873	484 90
McPherson, D.	Consul, Hobarttown	1876	239 43
Morse, F.	Consul, London	1870	18,643 86
Onderdonk, A. S.	Consul, Santiago, Cuba	1871–73	383 90
Perry, C. E.	Consul, Aspinwall	1869–70	225 00
Perkins, Chas. A.	Consul, Barcelona, Spain	1869–70	576 50
Raymond, J. L.	Vice-Consul Agent, Bradford	1871	145 83
Thweat, Chas. F.	Vice-Consul, Rio Janeiro	1870–71	592 69
Vardereau, A. E.	Consular Clerk, Vienna	1871–72	268 98
Wright, W. G.	Consul, Bay of Islands, Jamaica	1870	4,287 15
Wheeler, Jas. R.	Consul, Kingston, Jamaica	1869–70	533 75
Total			$41,338 09

U. S. BANKERS.

Clews, Habicht & Co	$130,178 84

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BALANCES DUE THE U. S. ON ACCOUNT OF INDIAN SERVICE FROM OFFICERS OUT OF SERVICE, FROM 1869 TO JUNE, 1876.*

Name.	*Rank.*	*Date.*	*Amount due U. S.*
Beck, Henry L	Capt. U. S. A	1870	$511 55
Clarke, Selden W	Agent	1870–71	774 56
Darlington, Brinton	"	1869–72	12,494 26
Drew, Chas. E	Lieut	1869–70	311 74
Gregory, Henry E	Agent	1870–71	451 29
Jones, Jonn B	"	1871–74	192 51
King, Chas. S	"	1871	1,098 78
Miller, Jas. H	"	1871–72	282 45
Miles, John D	"	1869–70	3,179 26
McKenny, Thos. J	Supt	1872	1,861 12
Miley, Benajah H	Agent	1873	823 12
Robinson, Lucien N	Supt	1869	6,896 26
Williamson, Jos. A	Special Agent	1868–73	4,404 15
Wright, Jas	Supt	1872–73	3,738 60
" "	"	1873–74	1,852 39
Total			$38,872 04

BALANCES DUE FROM PENSION AGENTS, OUT OF SERVICE, ARISING FROM 1869, TO JUNE, 1876.†

Name.	*State.*	*Agency.*	*Date.*	*Amt. due. U. S.*
H. C. Bennett	Cal	San Francisco	1869–73	$23,750 64
W. T. Collins	D. C	Washington	1869–71	51,414 83
Benj. J. Sweet	Ill	Chicago	1869–71	840 05
Stewart Goodsell	Iowa	Des Moines	1869–72	1,643 14
A. H. Adams	Ky	Lexington	1871–73	10,944 16
Samuel McKee	Ky	Louisville	1869–71	10,262 91
W. D. Gallagher	Ky	Louisville	1871–73	381 05
D. W. Haynes	N. Y	Brooklyn	1869–71	6,006 35
W. H. Lawrence	N. Y	New York	1869–72	65,884 01
Geo. W. Van Buren	N. Y	New York	1870–71	2,416 15
W. T. Forbes	Penn	Philadelphia	1869–71	38,322 05
A. R. Calhoun	Penn	Philadelphia	1869–71	11,187 46
W. J. Stokes	Tenn	Nashville	1869–73	5,772 00
Total				$228,824 80

BALANCES DUE THE U. S. FROM EX-COLLECTORS OF INTERNAL REVENUE APPOINTED BY PRESIDENT GRANT, FROM 1869, TO JUNE, 1876:

Names.	*State.*	*Date.*	*Amt. due. U. S.*
‡Jno. T. Foster	1 Ala	1869–73	$5,404 27
‡Francis Widner	2 Ala	1869–73	46,676 17
John Brooker	2 Ark	1873–75	18,876 56
‡R. W. Wishard	3 Ark	1869–71	17,352 25
J. O. Rawlins	1 Cal	1869–70	30,881 18
H. Jenkins, Jr	Fla	1869–73	19,893 73
‡J. H. Gould	1 Ga	1869–72	49,506 49
‡J. F. Dever	4 Ga	1872–73	2,753 99
J. A. Hottzelaw	4 Ga	1873–75	13,698 22
J. C. Geer	Idaho	1869–73	21,512 86
Enoch Emory	5 Ills	1869–71	76,084 33
Horace Weeks	6 Ills	1872–75	30,873 97
J. Richmond	7 Ills	1869–76	42,993 17
‡Jno. T. Harper	8 Ills	1869–73	721,522 70
‡Andrew Lewis	1 Ind	1869–70	13,804 93
John P. Hall	1 Ky	1869–74	6,712 58
Thos. D. Burnes	4 Ky	1869–70	261 45

* In a large number of cases, the Secretary's report does not state the actual balance due the Government by Indian Agents, because the final accounts were not credited at the time the statement was transmitted to the Senate. Hence a few more defalcations in this Department will doubtless be announced from time to time during the present fiscal year.

† The amount taken from the Government by Pension Agents, from 1861, when the Republican Party came into power, to June 30, 1875, is $355,018.05.

‡ The amounts opposite those names prefixed with a ‡, stand for "uncollected taxes" *as alleged by the Collectors.*

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*Jno. S. Chapman	2 La	1869–71	20,469	88
B. T. Beauregard	2 La	1871–73	5,561	58
*W. R. Wilmer	5 Md	1872–75	1,838	54
*D. L. Stanton	5 Md	1869–72	22,166	58
Mark Flanigan	1 Mich	1873–75	12,269	42
Const. Maguire	1 Miss	1873–75	154,587	27
Lindsay Murdock	2 Miss	1869–73	1,033	84
Jarred Benson	2 Minn	1870–71	319	93
Henry B. McClure	2 Miss	1874	273	32
J. T. Smith	2 Miss	1869–73	9	72
W. C. N. Hicks	3 Miss	1869	4,371	99
*Benj. B. Emory	3 Miss	1869–71	46,703	46
Chester Pike	3 N. H	1869–75	13	34
M. H. Treadwell	2 N. Y	1871–73	3,892	11
Joshua F. Bailey	4 & 32 N. Y	1865–70	676,188	18
*George Peck	2 N. C	1870–73	7,789	91
*W. B. Richardson	3 N. C	1869–73	7,610	61
Samuel H. Hurst	12 Ohio	1869–75	52	92
Jno. B. Kenney	1 Penn	1871–73	18,273	10
*W. I. Pollock	2 Penn	1872–75	3,433	33
I. R. Breidenbach	6 Penn	1869–73	246	11
Franklin Travis	7 Tenn	1867–73	26,560	19
A. W. Hawkins	7 Tenn	1873–76	69,958	54
*T. W. Glenn	1 Texas	1869–70	25,946	34
*Jno. N. Camp	1 Texas	1870–73	34,472	17
Lewis G. Brown	2 Texas	1869–74	838	21
W. A. Saylor	2 Texas	1874	957	55
Chas. E. Norris	3 Texas	1874–75	16,637	36
*Edw. K. Snead	1 Va	1871–74	10,720	94
Jno. H. Anderson	4 Va	1869	25,985	97
*A. P. Lothrop	4 Va	1871–73	4,936	00
*W. H. H. Stowell	4 Va	1869–71	9,616	94
Total			$2,312,544	20

BALANCES DUE THE U. S. BY EX-OFFICERS OF THE CUSTOMS, SINCE 1869.

F. A. Wilson, Pt. Townsend, W. T., Collector to 1870	$1,484	58
Chas. Anthony, Providence, Collector to 1870	1,358	21
John Stannes, Keokuk, Surveyor to 1870	3,903	45
Jacob Anthony, New Albany, Surveyor to 1875	1,116	10
George J. Stannard, Burlington, Vt., Collector to 1872	8,575	74
J. M. Humphrey, Richmond, Collector to 1872	911	94
Denard Rumley, Wilmington, N. C., Collector to 1874	6,832	03
L. C. Armistead, Apalachicola, Fla., Collector, 1869–71	1,810	99
Thomas Kearney, Corpus Christi, Texas, Collector, 1869–73	12,468	66
Felix Coste, St. Louis, Surveyor, 1869–70	2,253	32
D. C. Marsh, El Paso, Texas, Collector, 1869–73	5,209	46
Washington Rogers, St. Marks, Fla., Collector, 1869–71	759	65
Wells R. Bill, Selma, Ala., Surveyor, 1869–74	2,805	53
B. S. Cooper, Memphis, Tenn., Surveyor, 1870–71	933	38
J. C. Woodward, Paducah, Ky., Surveyor, 1870–75	428	18
C. W. Foy, St. Louis, Mo., Surveyor, 1870–74	10,000	00
Geo. E. Hosie, Vicksburgh, Va., Collector, 1870–72	32	03
W. H. Daniel, Apalachicola, Fla., Collector, 1871–1872	703	13
Geo. A. Edes, Sitka, Alaska, Collector, 1871–1873	1,159	20
E. Hohn, Troy, N. Y., Surveyor, 1872–74	665	70
Thomas Russell, Boston, Collector, 1871–74	1,955	26
R. W. Mullen, Brashear, La., Collector, 1872–74	418	03
Henry Hazen, Fernandina, Fla., Collector, 1873–75	2,036	61
J. M. Parker, New Orleans, Surveyor, 1873–75	1,742	11
Nelson Peats, Corpus Christi, Collector, 1873–75	1,384	29
Willie Chapman, Sitka, Alaska, Collector, 1873–74	110	25
W. J. McCormick, San Diego, Cal., Collector, 1873–74	2,595	84
Total	$73,752	67

BALANCES DUE THE U. S. FROM RECEIVERS OF PUBLIC MONEY, DISBURSING AGENTS, SURVEYORS, GENERAL REGISTERS OF LAND OFFICES, &C., FROM 1869 TO JUNE, 1876.

H. M. Stocking, Receiver, Eau Claire, Wis., 1869–73	$900	93
H. M. Stocking, Disbursing Agent, Eau Claire, Wis., 1869–73	451	65

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Oscar Roos, Receiver, Faylor's Falls, Minn., 1871–75	305 62
Oscar Roos, Disbursing Agent, Faylor's Falls, Minn., 1871–75	936 08
T. C. McClure, Receiver, St. Cloud, Minn., 1870–74	7,930 81
J. H. Van Dyke, Receiver, Alexandrina, Minn., 1870–74	313 32
J. C. Brayden, Receiver, Litchfield, Minn., 1869–74	6,651 14
Reuben Reynolds, Receiver, Detroit, Minn., 1872–75	1,233 31
Reuben Reynolds, Disbursing Agent, Detroit, Minn., 1872–75	1,930 37
Lewis Lewiston, Disbursing Agent, Duluth, Minn., 1873–74	2,066 68
Lewis Lewiston, Disbursing Agent, Duluth, Minn., 1873–74	499 12
J. E. Knowlton, Receiver, Duluth, Minn., 1875	3,175 93
W. J. Bodenhamer, Receiver, Springfield Mo., 1869–74	4,621 50
J. C. Austin, Receiver, Dardanelle, Mo., 1871–73	5,050 85
J. R. Laffery, Receiver, Dardanelle, Mo., 1873	2,433 06
J. R. Laffery, Disbursing Agent, Dardanelle, Mo., 1873	867 51
D. C. Tuttle, Receiver, Camden, Ark., 1873–75	1,863 58
J. G. Blackwell, Receiver, Huntsville, Ala., 1870–75	402 41
J. Fules Bossier, Receiver, Natchitoches, La., 1871–73	5,171 44
J. Fules Bossier, Disbursing Agent, Natchitoches, La., 1871–73	1,922 89
S. D. Houston, Receiver, Salina, Kansas, 1871	716 61
W. A. Shannon, Receiver, Wichita, Kansas, 1870–72	812 24
M. W. Reynolds, Receiver, Independence, Kansas, 1871–73	435 28
Geo. Merritt, Receiver, Topeka, Kansas, 1871–75	1,702 91
E. S. Nichol, Receiver, Independence, Kansas, 1873–74	1,791 66
Jesse Turner, Receiver, Grand Island, Neb., 1872	625 78
Nathan Blakeley, Receiver, Beatrice, Neb., 1870–75	638 00
W. F. Chapin, Receiver, Lincoln, Neb., 1869–72	460 69
M. P. Freeman, Receiver, Elko, Neb., 1872	514 00
G. S. Agersberg, Receiver, Springfield, Dakota, 1870–72	193 91
G. S. Agersberg, Disbursing Agent, Springfield, Dakota, 1870–72	1,181 99
Geo. F. Potter, Receiver, Pembina, Dakota, 1870–74	8,564 77
Geo. F. Potter, Disbursing Agent, Pembina, Dakota, 1870–74	1,682 12
R. B. Chappell, Receiver, Fairplay, Colorado, 1874	10,331 12
W. A. Arnold, Receiver, Central City, Colorado, 1873	1,825 53
W. A. Arnold, Disbursing Agent, Central City, Colorado, 1873	493 06
Chas. A. Cook, Receiver, Pueblo, Colorado, 1871–74	227 98
A. Steck, Receiver, Denver, Colorado, 1873–75	1 00
L. Mitchell, Receiver, Pueblo, Colorado, 1874–76	7,682 40
L. Mitchell, Disbursing Agent, Pueblo, Col., 1874–76	1,145 53
Giles B. Overton, Receiver, Salt Lake City, Utah, 1870–75	7,238 14
E. W. Little, Receiver, Santa Fe, N. M.	205 00
S. Star, Disbursing Agent, Helena, Montana, 1872–75	798 39
G. O. Tiffany, Receiver, Los Angeles, Cal., 1872–73	1,622 74
E. Feegarden, Receiver, Marysville, Cal., 1871–75	427 66
F. Walcott, Disbursing Agent, Cheyenne, Wyoming, 1870–72	703 76
C. H. McLaughlin, Disbursing Agent, Denver City, Col., 1869–72	127 88
N. J. Wallace, Disbursing Agent, Vermillion, Dakota, 1869–73	810 69
C. J. Bockins, Disbursing Agent, Marysville, Cal., 1869–71	2,945 61
Total	$103,636 65

BALANCE DUE THE GOVERNMENT BY EX-COMMISSIONERS OF DIRECT TAXES FOR THE INSURRECTIONARY STATES OF ARKANSAS, GEORGIA, LOUISIANA, MISSISSIPPI, NORTH CAROLINA, TEXAS AND VIRGINIA, FROM 1864 TO 1867, IS.....$82,665.21

There is not the remotest probability of the Government ever recovering one farthing of this amount, nor is it likely that ever an attempt will be made at its collection.

LIST OF EX-OFFICERS OF THE UNITED STATES NAVY AND OTHERS HAVING BALANCES AGAINST THEM ON THE BOOKS OF THE FOURTH AUDITOR, FROM THE YEAR 1869 UNTIL JUNE, 1876.

Name.	*Rank.*	*Date.*	*Amt. due U. S. Gov't.*
Allen, R. L.	Contractor for Marine Corps Clothing	1873–74	$26,513 75
Bemis, G. F.	P. A. P.	1870–74	14,173 90
Barnum, C.	Contractor for Marine Corps Clothing	1870–74	4,234 74
Cushing, M. B.	Paymaster	1870–74	10,936 41
Carendy, E.	Boatswain	1872–73	564 74
Crossman, A. F.	Commander	1872	438 00
Carter, W.	A. Carpenter	1870	115 29
Fabens, J. W.	Coal Ag't	1870	2,847 92
Healey, W. J.	A. P.	1869–71	10,756 91
Irving, W.	Paymaster	1870	418,124 62

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Mitchell, A. M.	Lt.-Commander	1873	641 00
Meade, H. M.	Paymaster	1872	2,537 10
Marcy, W. G.	Paymaster	1869	130,761 55
Simonds, S. A.	—	1870	111 77
Simmons, J. W.	Boatswain	1872	276 12
Wainwright, J. W.	Ensign	1870	175 00
Total			$623,208 79

BALANCES DUE FROM ARMY OFFICERS OUT OF SERVICE, FROM THE YEAR 1869 UNTIL JUNE, 1876.

Name.	*Rank.*	*Date.*	*Am't due U.S. Gov't.*
Whiting, C. J.	Lt. Col. 6th Inf	1869–71	$ 815 83
Wasson, J. R.	Lt. 4th Cav	1871	187 50
Barcela, M.	Contractor Q. M. D.	1872	1,035 60
Bateman, J. C.	Lt. Q. M. D	1872	1,038 36
Clements, G. G. H.	Lt. "	1870	400 00
Chamberlain, L. A.	Lt. "	1875	746 20
Campbell, C. E.	Lt. "	1872	1,450 14
Hosmer, J. E.	Capt. "	1870	348 24
Eckerson, E. P.	Lt. "	1872–75	14,399 29
Hunter, P.	Lt. "	1871	18,410 68
Fenno, D. G.	Lt "	1871	1,991 21
Jennings, G. D.	Lt. "	1871	221 45
Foster, S. H.	Capt. "	1871	17,419 34
Jordan, C.	Lt. "	1872	1,075 53
Hunt, T. B.	Capt. "	1874	50,000 00
Kane, W. J.	Capt. "	1872	655 42
Inman, H.	Capt. "	1872	10,280 00
Kinzie, R. A.	Maj. "	1871–72	182 00
McCoy, Jno.	"	1871	290 65
McComas, D. H.	Lt. "	1869–70	642 25
Metcalfe, C.	Lt. "	1872–73	702 01
Neeley, R.	Lt. "	1870–74	4,014 34
Norton, L. B.	Lt. "	1871	2,192 74
Norton, H.	Lt. "	1871	2,100 00
Roberts, W. M.	A. Eng. "	1870	1,946 57
Ryan, E. T.	Lt. "	1873	1,218 39
Sanbourne, M. C.	Lt. "	1871–73	1,451 80
Sunderland, John W.	Lt. "	1870	12,773 14
Sherman, Duncan	Lt. "	1869–72	502 40
Seely, E.	Lt. "	1870–75	947 55
Sunderland, J. W.	Lt. "	1870	18,584 66
Smith, J. A.	Capt. "	1875	820 00
Sawyer, N. D. A.	Capt. "	1872	6,940 50
Dana, S.	Add. Paymaster	1870	19,896 75
Townsend, E. H.	Lt. Q. M. D	1872	3,822 44
Hodge, G. L.	Paymaster	1871	442,518 12
Taggart, David	Add. Paymaster	1873	3,286 40
Walker, J. S.	" "	1873	2,552 71
Birney, J. G.	Capt. Subsistence	1870	108,366 28
Ebbets, G. A.	Lt. Q. M. D	1869	28,226 57
Total			$784,553 07

RECAPITULATION.

Balances due from Postmasters indebted to the United States, whose accounts have terminated since 1869 up to June 19th, 1876	$373,371 74
Balances due from Ex-United States Marshals on account of expenses of Courts from 1869 to June 19th, 1876	249,260 01
Balances due from Officers of Courts on account of official emoluments from 1869 to June 19th, 1876	58,067 83
Defalcation of H. B. Swoope	20,000 00
Balances due the United States from Governors and Secretaries of Territories	10,788 22
Balances due from sundry public officers, &c., out of service from 1869 to June 19th, 1876	265,713 12

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Balances due the United States from *late* Assessors of Internal Revenue.....	1,469 50
Balances due from Ex-Collectors of Internal Revenue, on their accounts as Disbursing Agents, from 1869 to June 19th, 1876.....	33,518 10
Balances due the United States from late Stamp Agents from 1869 to June 19th, 1876.....	69,306 94
Balances due the United States from Diplomatic and Consular Officers from 1869 to June, 1876.....	41,333 09
Balances due from U. S. Bankers (C. H. & Co.).....	130,178 84
Balances due the United States on account of Indian Service by officers out of service from 1869 to June, 1876.....	38,872 04
Balances due the U. S. from Pension Agents out of service from 1869 to June, 1876.....	228,824 80
Balances due the U. S. from Ex-Collectors of Internal Revenue appointed by Presid't Grant from 1869 to June, 1876.....	2,312,544 20
Balances due the U. S. by Ex-Officers of the Customs, since 1869.....	73,752 67
Balances due the U. S. from Receivers of Public Money, Disbursing Agents, Surveyors, General Registers of Land Offices, &c., from 1869 to 1876.....	103,636 65
Balances due the Government by Ex-Commissioners of Direct Taxes for the Insurrectionary States of Arkansas, Georgia, Louisiana, Mississippi, North Carolina, Texas, and Virginia, from 1864 to 1857.....	82,665 21
Balances due from Ex-Officers of the U. S. Navy and others on the books of the Fourth Auditor from the year 1869 to June, 1876.....	623,208 79
Balances due from Army Officers out of service from the year 1869 to June, 1876.....	784,553 07
Total.....	**$5,500,595 93**

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DEMOCRATIC APPOINTMENTS.

A FALSEHOOD NAILED—THE DIFFERENCE BETWEEN DEMOCRATS AND REPUBLICANS.

In the bloody-shirt canvass which the Republican party has inaugurated, its leading chanticleers upon the stump, are asserting everywhere that the Democratic House of Representatives marked its accession to power by discharging a large number of disabled Union soldiers from its employment, and in their places appointed ex-Confederate soldiers. Even W. A. Wheeler, the Republican candidate for Vice-President of the United States, gave utterance to this slander in his first campaign speech at St. Albans, Vt.

The table which is published below, obtained from official sources, tells the true story, and summarily disposes of this accusation.

RADICAL HYPOCRISY.

Mr. Morrison, of Illinois, Chairman of the House Committeee on Ways and Means, in answering these charges against the Democracy during the last hours of the session, spoke as follows:

Another small piece of hypocrisy is much practiced here by those who are continually bewailing the removal of Union soldiers. *Every man on the disabled soldiers' roll who has not died or voluntarily given up his place* IS STILL HERE IN THE EMPLOY OF THE HOUSE. Those who were here during the former Congresses and are not here now, were elective officers and their appointees, and all Republican politicians. Some have been replaced with other Union soldiers and some with soldiers of the army against whom they fought. If men who bore arms against the Government are allowed, as they have been by the gentleman from Maine (Mr. Hale), and his party to enter this hall as members, it is difficult to see what greater injury can befall the country if a few of the men who did no more are allowed *to open the doors.* And there is ex-Doorkeeper Fitzhugh.

What of him? He wrote a foolish letter, showing him to be unfitted for an important trust, and we displaced him too. Now let us inquire who it was that he displaced. It will be recollected that, at the last Congress, *it was proven before the Ways and Means Committee, and reported to the House, that nearly a* MILLION OF DOLLARS HAD BEEN CORRUPTLY EXPENDED IN SECURING THE MAIL STEAMSHIP SUBSIDY, through a law enacted by Congress, *and that* $4,500 *of this went into the hands of the assistant doorkeeper of the Republican House, and a greater sum to another employee.*

REPUBLICANS REWARD BRIBE-TAKERS.

The gentleman from Iowa (Mr. Kosson) presented the report of the Committee to the House, saying, among other things, the following:

"*The Committee do not recommend further action in the case of the two employees "of this House who, after the passage of this Act, received rewards, as shown in their "evidence, being informed that both of them have resigned.*"

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Both of them who had shared in the corruption fund we were told by this report had resigned. The assistant doorkeeper disappeared at once from his desk at the door, *but there was a place from which he did not disappear until the meeting of this House, and that was the pay-roll of the officers of the House.* Here were our Republican friends, who have so much to say of clerks and door-keepers, *assuring the House and the country of the unfitness and displacement of this man and yet retaining him on the pay-roll at a cost of* $2,000, *until displaced by us of the majority nine months afterwards, he rendering no services in the mean time.* Will it be said that this was done by the door-keeper who retained the assistant, and that our friends over the way, who talk so much of the appointment of improper persons by us, are not responsible to us?

MORE OF W. A. WHEELER'S RECORD.

Why, gentlemen, you indorsed and approved, every man of you, *including your amiable candidate for Vice-President, who presented his name as a candidate,* favoring the re-election, and voted for the doorkeeper at the commencement of this session, *thus indorsing and approving his retention* of the corrupt assistant.

Mr. Speaker, I find no pleasure in calling attention to these bad and inexcusable acts of the minority here, but the injustice and insincerity of their criticisms of the organization of the House, and of our acts and purposes generally, have impelled me to say so much in explanation and justification of changes made in the organization of the House. We made some mistakes in our appointments and we speedily corrected them. It were well for the country if our Republican friends could truly say as much.

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Persons Appointed by J. H. Patterson, Doorkeeper House of Representatives, 44th Congress.

Name of Appointee.	Political Status.	In what Capacity Acting.	State.	Kind of Oath.
J. W. Jennings	Officer in Union Army	Assistant doorkeeper.	Texas	Iron-clad.
A. W. Fletcher	Sent Sub. to Union Army, 4 years	Supt. folding room	Penna	"
Anderson W. Reese	Confederate Army	Supt. document room	Georgia	Modified.
C. C. Aleshire	Officer in U. S. Army, '61 to '70	Asst. Supt. doc. room	Ohio	Iron-clad.
James G. Paine	Confederate Army	Clerk, folding room	Georgia	Modified.
Lafayette Fitzhugh	Too young for service	Clerk, document room	Texas	Iron-clad.
W. J. McCord	Not in service (citizen)	Clerk to doorkeeper	Kentucky	"
W. W. Stringfield	Lt. Col. Confederate Army	Messenger	N. C.	Modified.
Eugene Durnin	9th New York, two years	"	New York	Iron-clad.
Frank M. Schell	Not in service (citizen); was in Mexican War	"	Indiana	"
N. S. Clark	Quartermaster's Dept. Union Army	"	W. Va	"
Sam'l J. Richardson	Confederate service	"	Texas	Modified.
William Deagan	Union Army, Nat'l Soldiers' Home	"	Ohio	Iron-clad.
George M. LeFevre	Too young for service	"	Ohio	"
E. H. Dulan	Medical Dep't, U. S. Army	"	Missouri	"
C. C. Buckner	Confederate service	"	Virginia	Modified.
Geo. A. Bacon	Col. Federal Army	"	Illinois	Iron-clad.
Silas Carr	Not in service	"	Missouri	Modified.
Timothy G. Sullivan	" "	"	New York	Iron-clad.
John Baxter	Enrolling officer, Union Army	"	New York	"
S. O. Hemmingway	Not in service	"	Arkansas	"
Wilmont Leach	Too young for service	"	N. C.	"
Patrick Doran	Messenger to Confederate H'se	"	Alabama	Modified.
Granville J. Huston	Not in service (citizen)	"	Kentucky	Iron-clad.
Tim. J. Leary	" "	"	Mass.	"
Samuel E. Gittings	" "	"	Maryland	"
George K. Coleman	Paymaster's Dep't Union Army	"	N. Jersey	"
Jesse S. Harris	Not in service (citizen)	"	Tennessee	"
C. W. Coombs	" "	Folding room	Missouri	"
Jas. G. Long	" "	"	Illinois	"
J. R. Dunbar	" "	"	Penna	"
R. D. Brown	Enrolling officer, Union Army	"	Indiana	"
C. T. Lewis	Too young for service	"	Texas	"
Temple Houston	" "	"	Texas	"
Jas. C. Courts	" "	"	Tennessee	"
George V. Hebb	Not in late war; was in Mexican war	"	Ohio	Modified.
K. S. Blood	Not in late war (citizen)	"	Penna	Iron-clad.
W. F. Weeks	Too young for service	"	Louisiana	"
Jno. K. Dougherty	In Union Army	"	New York	"
Jas. L. Knight	Not in service (citizen)	"	Georgia	"
Chas. A. Ebert	" "	"	Wisconsin	"
C. W. C. Dunnington	" "	"	California	Modified.
A. B. Corbusier	" "	"	Conn.	Iron-clad.
Harvey M. Scott	Confederate service	"	W. Va	Modified.
B. E. Hambleton	Too young for service	"	Georgia	Iron-clad.
Albert E. Robinson	" "	"	Ohio	"
N. Q. Henderson	Confederate service	"	Florida	Modified.
Lewis Neilson	Not in service (citizen)	"	Maryland	Iron-clad.
Alex. S. Whiteside	Union Army, three months	"	N. Jersey	"
W. M. Long	Union Army, nine months	"	Penna	"
Sam'l M. Freeman	Union Army, three years	"	Maryland	"
Stephen W. Buck	Union Army, two years	"	Penna,	"
R. H. Paxton	Too young for service	"	Miss.	"
Jno. T. Chancy	Union Army	"	Maryland	"
John B. Trainer	In Union Army, six months	Folding room	New York	"
Wm. Tucker	Drill master, Union Army	"	Penna	"
B. Oney Shindler	Not in service (citizen)	"	Indiana	"
J. B. Fossett	Too young for service	"	"	"
E. L. Rose	With his father, Col. Rose, of Indiana, in Union Army	Seal room, H. of Reps	"	"

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List of Persons Appointed—Continued.

NAME OF APPOINTEE.	POLITICAL STATUS.	IN WHAT CAPACITY ACTING.	STATE.	KIND OF OATH.
James T. Blackistone	Not in service (citizen).....	Folding room.....	Maryland ..	Modified.
Charles E. Demar..	Disabled Union soldier.....	Detailed as messengers in charge of d'rs	.....	Iron-clad.
Sam'l H. Decker...		" "	.....	"
John Ryan.....		" "	.....	"
P. W. Coleman.....	These disabled soldiers were appointed by the Republican doorkeeper of the 43d Congress, and have been retained by me.		.....	"
W. T. Fitch.....			.....	"
J. A. Travis.....			.....	"
C. S. Reisinger.....			.....	"
Henry Cliff.....			.....	"
Geo. A. Schreiner..			.....	"
Jacob D. Hutton.....	" "	" "	New York..	"
Thos G. Hibben.....	" "	" "	Indiana....	"
Edward Webster.....	" "	" "	Arkansas...	"
James I. McConnell..	" "	" "	Indiana....	"
Patrick Sullivan....	" "	" "	Wisconsin..	"
Edward Stockdale....	Too young for service.....	Pages.....	Ohio.....	"
E. W. Armstrong.....	" "	"	Kentucky..	"
Archie D. Conn.....	" "	"	Louisiana..	"
Thomas Brown.....	" "	"	N. C.....	"
Jno. R. Moore.....	" "	"	Ohio.....	"
J. T. Riggs.....	" "	"	Kentucky .	"
Wm. Barr.....	" "	"	Dist. Col...	"
Frank L. Donnally...	" "	"	Dist. Col...	"
Graham Gordan.....	" "	"	Arkansas...	"
Edward Eakle.....	" "	"	Conn.....	"
Edward Donoghue...	" "	"	Illinois.....	"
Arthur May.....	" "	"	Penna.....	"
W. H. Cook.....	" "	"	" Na. S. H.	"
James Whitley.....	" "	"	Ohio.....	"
George Webber.....	" "	"	Virginia....	"
Joseph Callahan.....	" "	"	Illinois....	"
Henry Major.....	" "	"	Missouri...	"
Thomas Bryan.....	" "	"	California..	"
Joel Grayson.....	" "	"	Virginia....	"
W. Sidney Warrick..	" "	"	"	"
Chas. C. B. Waller...	" "	"	"	"
Jerry White.....	" "	"	"	"
Edward Yost.....	" "	"	Texas.....	"
Jno. E. Mason.....	" "	"	W. Va.....	"
Fred Wright.....	" "	"	Vermont...	"
Willis Foley.....	" "	"	Indiana....	"
C. Sullivan Henry....	" "	"	.....	"
Frank Angerer.....	" "	"	.....	"
James M. Johns.....	Not in service (citizen).....	Folding room.....	Delaware...	"
James Morrow.....	" "	"	Maine.....	"
W. F. Price.....	Too young for service.....	Laborer.....	Louisiana..	"
C. L. Freeman.....	In Union Army, three years..	"	N. C.....	"
C. N. Muller.....	Not in service (citizen)..	"	Oregon.....	"
A. A. Johnson.....	Too young for service.....	"	Penna.....	"
Leonard E. Chapman.	Too young for service.....	"	N. C.....	"
Thos. T. Dugan.....	Confederate service.....	"	W. Va.....	Modified.
W. H. Lester.....	Quartermaster's Dep't Con. Army.	"	Miss	"
Wm. H. Pinn(colored)	Union Army....	"	Maryland...	Iron-clad.
Henry Douglass "	Not in service, held present position for many years.	Charge of Members' water closets.....	Dist. Col...	"
Thos. P. Bell "	Not in service, held present position, laborer, for many years.	Laborer.....	Maryland ..	"
Daniel Bell "	Not in service.....	"	Louisiana..	"
J. C. Nickens "	Too young for service.....	"	New York..	"
Chas. Carter "	" "	"	Dist. Col...	"
Enos P. Schell.....	" "	"	California..	"
M. Babcock (colored)	Woman.....	Charge of ladies' retiring room.....	Dist. Col...	"
J. Douglass "	Too young for service.....	Laborer.....	"	"
A. B. Thomas "	Not in service.....	"	Penna.....	"
James Hall "	Too young for service.....	"	Georgia	"
Benj. Stewart "	Was servant for his master in Confederate service, until freed by proclamation.	"	Georgia . ..	"

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Recapitulation.

Whole number of appointments made by J. H. Patterson, Doorkeeper House of Representatives, 44th Congress		123
Number of appointees who served in Union Army	35	
Number of appointees who served in Confederate Army	10	
Number of appointess who served in Mexican war	2	
Number of appointees who are colored	11	
Number of appointees who are non-combatants, page boys, &c., &c	65	
	123	123

The Iron-Clad oath is only taken by Union soldiers and Union men. The modified oath is taken by those who were in the Confederate Army, or who were in connection with the Rebellion.

J. H. PATTERSON,
Doorkeeper House of Representatives.

DOORKEEPER'S DEPARTMENT,
HOUSE OF REPRESENTATIVES,
February 4th, 1876.

For January, 1874, *there were on the pay rolls of the former Doorkeeper, House of Representatives*, 153 *appointees. Of these, from the best information to be had from a reliable Union soldier of the old appointment, and now a new appointee, there were only* 18 *Union soldiers of the* 153 *appointments.*

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WHY THE SOUTH SHOULD BE RESCUED!

HARMONY BETWEEN THE SECTIONS ESSENTIAL TO NATIONAL PROSPERITY.

IMPORTANT DATA AND FACTS.

The policy of the Republican party, in seeking to fan anew into glowing coals the dying embers of sectional prejudice is not only inimical to that sentiment of fraternity which can alone make the union of the States perfect, but it is fatal to the prosperity and happiness of the people of all sections.

To enable the diversified interests of the whole country to be fully developed—to make possible the highest state of civilization, and to build up the peculiar pursuits of each locality there must be as little antagonism as possible, and the general government must be administered, not in the interest of one section, but with reference to the greatest good of the whole country.

There must be no class legislation, and above all the people of one section must not be arrayed politically against their fellow citizens of another section, because the inevitable result will be to interfere in the end with commercial relations which are essential to the welfare of the whole country.

The products of the Southern soil are more abundant and intrinsically more valuable than those of any other section of the Union, and hence agriculture is more remunerative there than at the North or West. The cotton, sugar and tobaeco growing regions of the South, therefore, become the best markets for the sale of Northern products, the home production of which is either impossible or unprofitable. With the South prosperous, the demand for the product of Northern labor and Northern ingenuity is increased in direct proportion. But if, through misrule, unstable governments, oppressive taxation and social disorder, the industrial interests of the South are prostrated, the consumption of Northern products is immediately decreased and the effect is sensibly felt in the manufacturing centres as well as in the grain growing regions of the North and West.

It must be borne in mind that although the growth of the cereals is not profitable, *per se*, in the cotton States, nevertheless it has been demonstrated during the past few years that the production of sufficient corn and wheat for breadstuffs can be profitably grown in connection with the cotton crop. The fact is that this year the cotton states, in addition to an enormous crop of their valuable staple, have produced sufficient of the cereals to supply them with their breadstuffs. With the same energies and industry exclusively directed to the growth of cotton, of course the results would have been far more profitable to the cotton planters, and the breadstuffs for all that region could have been supplied from the overflowing graneries of the northwest.

The question may be asked, "why do the cotton planters grow the cereals at all, if it would be more profitable to produce cotton?" We answer, because they desire to be independent of Northern supplies. "But," exclaims the advocates of the bloody shirt policy, "that is disloyal. Haven't we told you that the Southern people are still rebels!" In answer to this argument (?) we reply no, it is not disloyalty to grow your own corn and wheat. It is not disloyal to cultivate a spirit of independence! It is no proof of the existence of a spirit of rebellion at the South that her people, even at some sacrifice to themselves, are determined to be self supporting. On the contrary, it argues the possession of qualities by that people which are calculated to make them better citizens of the republic, because self-denial, industry, patience and perseverance are traits of character found only among the highest types of men. Where there is frugality, there also is found sobriety; where industry and independence are found, there also

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will be good morals and business integrity! A higher order of civilization insensibly grows out of such a condition of things, and the people affected thereby are certain to be more patriotic and loyal to a wise and beneficial government, administered for the common good of all sections.

But would it be natural to expect the Southern people to struggle with unselfish zeal for the common good of the whole country, while a majority of the Northern people, with pure selfishness, seek their own agrandizement and suffer governments to be imposed, by the power of the Federal Government, upon the Southern States, which are intended to perpetuate anarchy, foment social disorders, and impose oppressive taxation? The continual appeal to Northern prejudices, excited to abnormal growth during the late civil war, is, of course, calculated to keep alive sectional feelings at the South also; and unless there is to be an end of this unholy agitation, the inevitable result must be the transmission of these antagonistic feelings from father to son, and thus two rival nations will grow up side by side under the same government.

Here, again, the advocates of the bloody shirt policy will exclaim "treason!" "rebellion!"

Is it possible for intelligent men to have their reason upset by this demagogical cry? Let us see how much of "treason" there is in the propositions we have submitted. The productions of the cotton States, considering the area of soil cultivated, yield more returns in solid wealth than any other territory of like extent on the face of the globe. The cotton crop alone forms more than one-third of our annual exports. For the last five years the money value of exported cotton, raw and manufactured, equalled nearly two-thirds the total exports from the Northern States. If you add to the cotton exported, tobacco, spirits of turpentine and naval stores, which are exclusive Southern products, all the other products of the whole country exported have during the same period exceeded those four Southern exports by only about one hundred million dollars. And this, it must be borne in mind, was during a period in which the South has been misgoverned as no other country supposed to have a government "of the people, by the people, for the people" ever has been.

And moreover it must be remembered that the bulk of the Southern products exported were grown in States which the democratic party has during that period obtained control of, and this result is at once an argument in favor of the ascendency of that party, and proof positive of the falseness of the "outrage stories" which the radical press and orators so industriously circulate. If the Southern people in the cotton States habitually maltreat and oppress the negroes, how comes it that so much cotton is grown? It cannot be grown without the labor of the negroes; and, as a rule, it is grown on "the shares,"—the owner of the plantation supplying the land and the capital, while the negroes supply the labor and divide the product. That this system results in the decided benefit of the negroes is evidenced by the fact that the official statistics of the State of Georgia show that the amount of taxable property owned by negroes in that State averages $100 per each head of family—an exhibit that cannot be made by any other laboring population in the world.

The political future of the south under the continued administration of the Federal government by the radical party cannot be worse than her past has been, and thus prosperity will come to that section through the energy, industry and patience of the indomitable race that people it, despite all the efforts the ruling party to the contrary. And just so surely also will the continued appeals of the radical leaders to northern prejudice have a reflex effect upon the Southern mind and the result will be a south antagonistic to the north, *or vice versa*. This is no trivial matter for the people of the North to contemplate. The resources of the South are as varied and inexhaustible as those of the North. The vast and fertile plains of Texas will grow more than sufficient breadstuffs and provisions for the whole South, while the mineral wealth of South West Virginia, Northern Georgia and Alabama and East Tennessee, with their unrivalled water power, will afford manufacturing facilities unequalled by those of any Northern state.

Is it wisdom or folly to pursue a policy which must, inevitably, perpetuate Southern feelings, and stimulate the people of that Section to develop and build up their country as a rival to the North? It is the habit of many intelligent Northern men to sneer at Southern industry, Southern energy and Southern perseverance. They talk about the South having been demoralized by the system of slave labor; about the energies of the Southern people being paralyzed by that curse. and point with becoming pride to the wonderful progress which the Northern people have made in the inventive and industrial arts, and smile complacently when Southern competition is mentioned. They forget that the Southern people have been purified in the furnace of affliction, and that a new people was born during the four years of dreadful war through which

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they passed. They start far behind in the race and are handicapped with many disadvantages it is true, but they have the advantages of climate and soil, and with industry and thrift equal to that of their Northern competitors, the Southern people will prove no mean rivals. Their agricultural products exported, alone, equal two-thirds of the entire exports of the whole country—and this, be it remembered, has been accomplished under the most unfavorable circumstances.

There is, however, a higher standpoint from which to appeal to the northern intelligence; and we would invite all patriotic men to give more than passing attention to what we have to say. During the past five years the balance of trade has been largely against the United States. The gold, or its equivalent, requisite to pay the interest on our national debt, and to pay for our foreign importations has been drained off, and hence we are cursed with an irredeemable currency. Whenever our exports largely exceed, in gold value, the interest on our public debt and the importations of foreign products, then we will be on the high road to national prosperity. This cannot be without a prosperous South, and prosperity, misrule, social disorder and excessive taxation, never come together. What the North would accomplish toward sustaining the national burden, without the South, and *vice versa*, will be shown by the tables on page 4.

(1.) *A table showing the amount of principal* NORTHERN PRODUCTS *exported each year, from* 1872 *to* 1876, *both inclusive, and the relative proportion these exports bear to the cost of net imports and the interest on the National Debt.*

	NORTHERN PRODUCTS.	NET IMPORTS.	INTEREST ON THE NATIONAL DEBT.	DEFICIT.	
1872	$201,914,049 00	$617,569,017 00	$117,357,839 72	$533,013,807 72	Northern Products, including breadstuffs, agricultural impl'ts, iron, manufactures of iron, locomotives, oils, oil cake, tallow, hops, sewing machines and provisions.
1873	244,702,989 00	635,467,636 00	104,750,688 44	495,515,335 44	
1874	308,455,085 00	572,080,910 00	107,119,815 21	370,745,640 21	
1875	249,945,216 00	531,472,529 00	103,093,544 57	384,620,857 57	
1876	291,089,053 00	455,407,836 00	102,017,554 81	266,346,327 81	
	$1,295,106,392 00	$2,811,997,928 00	$534,339,442 75	$2,050,231,968 75	

(2.) *A table showing the amount of principal* SOUTHERN PRODUCTS *exported each year, from* 1872 *to* 1876, *both inclusive, and the relative proportion these exports bear to the cost of net imports and the interest on the Public Debt.*

	EXPORTS—SOUTHERN PRODUCTS.	NET IMPORTS.	INTEREST ON THE NATIONAL DEBT.	DEFICIT.	
1872	$215,968,283 00	$617,569,017 00	$117,357,839 72	$734,949,573 72	Southern Products, including cotton, and its manufactures, tobacco, naval stores, spirits of turpentine, hemp.
1873	262,753,129 00	635,467,636 00	104,750,688 44	477,465,195 44	
1874	254,654,350 00	572,080,910 00	107,119,815 20	414,546,375 21	
1875	228,671,672 00	531,472,529 00	103,093,544 57	405,894,401 57	
1876	230,860,485 00	455,407,836 00	102,017,554 81	326,674,905 81	
	$1,192,907,919 00	$2,811,997,928 00	$534,339,442 75	$2,153,429,451 75	

In the table, page 5, it will be observed that, under the head of Northern products, is included everything exported from the United States, except cotton, tobacco, naval stores, spirits of turpentine and hemp. This is not fair to the South, because these five articles by no means comprise her entire exports. It has been done, however, in order that it will not be possible to say that the South has been favored in this exhibit. Now, what is the result of the last five years? The Northern products—that is, everything except cotton, tobacco, naval stores, spirits of turpentine and hemp, amount, during that period, from 1872 to 1876, both inclusive, to **$1,613,008,501.** On the other hand, the total received from cotton, tobacco, naval stores, spirits of turpentine and hemp, *five* leading Southern products, during the same period, amount to **$1,192,907,919,** only **$420,100,586** less than the entire products of Northern capital, and Northern industry throwing in the value of such Southern exports as North Carolina pine, South Carolina phosphates, sugar, Texas beef, hides and the like.

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That we have, until the last year, had to stagger under a load too great for both sections to bear will be seen by the following table:

(3.) *A table showing the net outgo for Interest on National Debt and Imports for each year from* 1872 *to* 1876, *both inclusive, together with the net income from Northern and Southern exports, and the balance that has run against the United States during that period.*

	What we had to pay in Coin or its equivalent.			What we had to pay with,			Deficit.
	Interest on the National Debt.	Net Imports.	Total.	Northern Products.*	Southern Products.†	Total.	
1872.....	$117,357,839 72	$617,569,017 00	$734,926,856 72	$256,265,369 00	$215,968,283 00	$472.233,652 00	$262,693,204 72
1873.....	104,750,688 44	635,467,636 00	740,218,324 44	298,487,027 00	262,753,129 00	561,250,156 00	178,978,168 44
1874.....	107,119,815 21	572,080,910 00	679,200,725 21	374,564,794 00	254,654,350 00	629,219,144 00	49,981,581 21
1875.....	103,093,544 57	531,472,529 00	634,566,073 57	325,427,666 00	228,671,672 00	554,099,338 00	80,466,735 57
							Excess.
1876.....	*a*102,017,557 81	455,407,836 00	557,425,390 81	358,263,645 00	230,860,485 00	589,124,130 00	‡$31,698,739 19
	$534,339,442 75	$2,811,997,928 00	$3,346,337,370 75	$1,613,008,501 00	$1,192,907,919 00	$2,805,916,420 00	$540,420,950 75

* Northern exports include everything, except gold, silver coin and bullion, and articles included in Southern exports.

† Southern exports (products include cotton, raw and manufactured, tobacco do., naval stores, spirits of turpentine, hemp, &c).

‡ Vide—This year (1876) the total exports exceed the national debt interest and imports by $31,698,739.75.

a The amount given as the interest upon the public debt for this year is taken from the Reports of the Secretary of the Treasury of the United States, dated December 6th, 1875, Washington, D. C., and is made up as follows:

Interest paid for the first quarter ending September 30, 1875	$34,517,554 81
Estimated interest for the three remaining quarters	67,500,000 00
	$102,017,554 81

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CARPET-BAGGERS IN SOUTH CAROLINA.

From proceedings of the Tax-payers' Association of South Carolina we cite the following facts as showing the indebtedness and expenditures under carpet-bag rule:

Property valuation.

In 1860	$490,000,000
In 1870	170,000,000

A decline in thirteen years of 67 per cent.

Tax levy.

In 1860	500,000
In 1873	2,700,000

An increase in thirteen years of nearly 500 per cent.

Legislative expenses.

In 1860	40,000
In 1873	291,000

An increase in thirteen years of nearly 700 per cent. The public printing for sixty years aggregated $400,000, or an annual average of $6,666.

Now mark the difference under Republican rule, as shown by the following table:

Public printing.

October, 1870, to October, 1871	$134,151 44
October, 1871, to October, 1872	215,129 86
October, 1872, to October, 1873	331,945 66
Undrawn appropriation	118,054 34
Extra session, 1874	125,000 00
Total for three years	924,281 30

Annual average of $308,093.76.

Showing the expense for public printing for three years under Republican carpet-bag rule to be $500,000 more than the expense for sixty years under the administration of the Democratic citizens of South Carolina before the war. From October 31, 1872, to November 19, 1873, the amount paid for public printing in South Carolina was $575,000, while the total revenues of the State for the same period were but $1,719,728. (See State Treasurer's Report.)

Annual legislative expenses before the war, $40,000; annual legislative expenses since the war, $300,000; an increase of more than 700 per cent., while property has decreased more than 100 per cent.

The annual stationery bill of the Legislature before the war was $400; the annual stationery bill of the Legislature since the war, $16,000, or over 4,000 per cent.

The amount of taxes paid by State and legislative officials under Republican carpet-bag rule is as follows:

The Governor pays none; the Secretary of State pays none; the Comptroller-General pays none; the Treasurer pays none; the Superintendent of Education pays none; the Lieutenant-Governor pays $15.99; the Adjutant and Inspector General pays $1.

The State Legislature is composed of fifty-seven white and ninety-eight colored members. Of these fifty-seven whites twenty-four pay no taxes, and of the ninety-eight colored sixty-seven pay no taxes; and the names of eighty-five members of the Legislature are not to be found upon the tax-books; a State governed by men who do not represent a single interest, who create taxes, but pay none. (See report of tax-payers; also report Joint Committee on condition of the South, Congressional Globe, volume 2, page 1239.)

Now, taking the legislative expenses of South Carolina for 1873 at $291,000, and public printing at $331,945.66, the two items make $622,945.66, or nearly 100 per cent. more than the entire cost of the State government of New York; while taking the cost of public printing alone for three years in the State of South Carolina the sum total, $924,281.30, exceeds the annual cost of the annual State governments of New York, Massachusetts, and Ohio by $117,533.

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EXTRAVAGANCE OF THE REPUBLICANS.

A MARKED CONTRAST.

The Republican party is always about to retrench expenditures and reform abuses. The active party managers promised the country, in 1872, that the Civil Service should be reformed, and the number of office holders largely reduced. How they have fulfilled these promises will be seen upon an examination of the following exhibit, compiled from the official registers of the various Departments of the government, which gives the number of civil employés in government employ from 1859 to 1875, inclusive:

Number of civil employés under—

Mr. Buchanan's administration	44,527
Mr. Lincoln's administration in 1861	46,049
Mr. Lincoln's administration in 1863	47,375
Lincoln's and Johnson's administration in 1865	53,167
President Johnson in 1867	56,113
President Grant in 1869	54,207
President Grant in 1871	57,605
President Grant in 1873	86,660
President Grant in 1875	94,119
President Grant in 1876	102,350

Economy and simplicity should characterize a Republican government, and honesty and fidelity should mark the character of its public servants. In the earlier days of the Republic this was the case. From the 4th day of March, 1789, the day the Federal Constitution went into operation, down to June 30, 1875, the entire net ordinary receipts of the government, exclusive of loans, amounted to $6,337,043,618.27. Of this sum only $1,841,953,353.62 were collected from the foundation of the government down to 1861, and $4,495,081,264.63 have been collected since that time. More than twice as much money has been collected from the people in fourteen years of Republican rule than was collected in more than seventy years prior to their advent to power. Now let us see how about the expenses for the same period of time. From March 4, 1789, to June 30, 1875, the net ordinary expenses of the government—as any one may see by adding the figures under the head of "Net ordinary expenses," on page 65 to 67 of the official report of the Register of the Treasury, made November 4, 1875—amounted to $6,801,956,954.69. We have caused a table to be made, grouping these expenditures so as to show the amounts expended each four years of the successive administrations of the government. Here it is:

Civil List and Net Ordinary Expenditures of the United States Government, by periods of four years, from the organization of the Government—(Condensed from the Report of the Register of the Treasury for 1875.)

DATES.	CIVIL LIST.	NET ORDINARY EXPENDITURES.
From March 4, 1789, to December 31, 1792	$1,138,052 03	$3,797,493 20
For four years ending December 31, 1796	1,607,969 07	12,093,205 35
For four years ending December 31, 1800	2,329,433 08	21,348,351 19
For four years ending December 31, 1804	2,297,648 17	17,174,432 96
For four years ending December 31, 1808	2,616,772 77	25,926,355 72
For four years ending December 31, 1812	2,887,197 98	36,117,357 98
For four years ending December 31, 1816	3,768,342 61	108,537,086 89
For four years ending December 31, 1820	4,494,606 42	57,698,087 71
For four years ending December 31, 1824	4,665,602 11	45,665,421 88
For four years ending December 31, 1828	5.271,124 34	50,501,913 31
For four years ending December 31, 1832	6,081,307 73	56,270,480 62
For four years ending December 31, 1836	7,659,086 86	89,522,286 68
For four years ending December 31, 1840	9,899,496 58	121,729,801 16
From January 1, 1841, to June 30, 1845	11,508,546 86	104,360,163 10

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DATES.	CIVIL LIST.	NET ORDINARY EXPENDITURES.
For four years ending June 30, 1849	10,615,571 14	165,381,026 34
For four years ending June 30, 1853.....	14,214,458 90	165,684,050 48
For four years ending June 30, 1857 (Pierce)..	25,036,171 74	232,820,632 35
For four years ending June 30, 1861 (Buchanan)	25,180,671 32	261,165,809 62
For four years ending June 30, 1865 (Lincoln).	30,765,508 71	3,176,017,346 93
For four years ending June 30, 1869 (Johnson)	*66.412,391 61	1,012,420,202 14
For four years ending June 30, 1873 (Grant)..	†69,989,774 16	656,066,892 39
For one year ending June 30, 1874 (Grant)....	17,646,253 38	194,217,210 27
For one year ending June 30, 1875 (Grant)....	17,346,929 53	171,529,848 27

* This includes $7,200,000 paid for Alaska; also $5,505,451.79 paid for mail service Post-office Department.

† Total in six years of Grant's two terms, $1,021,813,950.91.

From March 4, 1789, to June 30, 1861, the entire net ordinary expenses of the government amounted to $1,581,706,195.34. From June 30, 1861, to June 30, 1875, fourteen years of Republican rule, the net ordinary expenses amounted to $5,220,250,759.35; and this is exclusive of the public or war debt; that is, fourteen years of Republican rule cost the government more than three times as much money as the whole cost of the government from 1789 to 1861, a period of seventy-two years. But it may well be said that the ordinary expenses of the government during the war were necessarily increased. That is true, and to make the comparison fair, let us take a period of ten years since the war; and we wish it to be borne in mind that we are now speaking of the "net ordinary expenses" of the government, exclusive of the interest paid on the public debt, which amounted to $1,000,000,000, and the sums paid on the public debt itself, which amounted to many hundred millions more. From March 4, 1789, to June 30, 1861, the expenses of the government—embracing a period of more than seventy-two years, covering the war of 1812, the Indian wars, and the Mexican war, and the purchase of Louisiana, the great northwestern Territory, Texas, New Mexico, Arizona, and California—amounted, as we have already shown, to only $1,581,706,195.34. The net ordinary expenses of the four years of Johnson's administration was $1,012,420,202.14; six years of President Grant, $1,021,813,950; making in ten years of peace the enormous sum of $2,034,233,412.14, being nearly one-third more than all the expenses of the government for seventy-two years, from 1789 to 1861, including the war of 1812, the Indian and Mexican wars; and if you add to the ordinary expenses of the six years of President Grant's administration the amount of principal and interest paid on the public debt, it will amount to $4,008,438,461.82; that is, more than two and a half times as much as the entire expenses of the government from March 4, 1789, to June 30, 1861. We have here the table showing the total expenditures under the administration of President Grant for six years, from June 30, 1869, to June 30, 1875, as will be seen from the official report of the Register of the Treasury, page 67 of the pamphlet report:

Year ending June 30—	
1870.....	$703,155,391 43
1871.....	692,238'332 40
1872.....	682,360,760 17
1873.....	522,785,932 23
1874.....	724,897,160 26
1875.....	682,000,885 32
Making a total for six years.....	$4,008,438,461 82

Total receipts from all sources for the same period of six years (see page 62):

Year ending June 30—	
1870.....	$696,729,973 63
1871.....	652,095,864 54
1872.....	679,158,419 73
1873.....	548,672,269 47
1874.....	744,252,331 30
1875.....	675,971,607 10
Total receipts for six years.....	$3,996,880,464 77

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EXPENSES OF THE "WHITE HOUSE."

The following table shows the comparative expenditures for the Executive Mansion under Democratic and Republican rule, and exhibits in a forcible manner the extravagance and royal notions of our present rulers:

Executive Mansion.	Last Four Years of Democratic Rule.	Last Seven Years of Republican Rule.
Annual repairs, including painting, etc.	$32,000 00	$123,345 00
Refurnishing interior, etc.	20,000 00	72,000 00
Care and improvement of grounds south of house.	5,500 00	79,719 25
Repairs, etc., of green-houses and plants.	1,000 00	31,500 00
Fuel in part for President's house	7,200 00	35,000 00
Books for library "	1,000 00	.....
Iron fencing around grounds	.....	82,000 00
New stables, to replace those torn down to make room for Treasury	20,000 00	.....
Salaries to Employees in Executive Mansion.		
Night Watchmen	3,600 00	9,900 00
Door-keepers	18,000 00	14,560 00
Furnace-keeper	1,565 00	5,328 00
Policemen (2)	.....	18,440 00
Usher	.....	3,600 00
Salaries to Officers in Executive Office.		
President of the United States	100,000 00	250,000 00
Secretary to sign land warrants	.....	7,500 00
Private Secretary	8,750 00	87,500 00
Assistant Private Secretary	.....	
Clerks (2)	.....	
Steward	4,200 00	
Messenger	3,150 00	
Contingent expenses (including stationery)	2,625 00	28,000 00
Postage stamps for official use	.....	600 00
Totals	$213,028 00	$848,992 25

RECAPITULATION.

Expenditure during four years of Democratic rule, from 1857 to 1861	$213,028 00
Expenditure during seven years of Republican power and misrule, from March 4, 1869, to March 4, 1876	848,992 25
Average annual expenditure under Republican rule	$121,284 60
Average annual expenditure under Democratic rule	53,257 00
Average annual saving under Democratic administration	$68,027 25

—or more than twice as much.

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$4,000,000 per month. It passed—83 yeas, 53 nays. (Con. Globe, Part 2, First Session Thirty-ninth Congress, p. 1,614.)

On July 25, 1866, on the bill relating to national currency, on Thad. Stevens' amendment to strike out the substitution of National bank currency for greenbacks, on which motion Stevens declared he was for issuing more greenbacks, and denounced the contraction policy, Hayes voted in a minority of twenty-eight with his old leader. (Congressional Globe, pt. 1st, 39th Congress, 1st Session, p. 4,154.) These votes, in view of his present declarations, prove how he can be influenced by his surroundings and the will of a strong-minded man in whom he has confidence.

Indeed, Mr. Hayes seems to have no settled opinions of his own on the financial question, but is governed by those he acts with. In his speech at Sidney, Ohio, September 4, 1867, in the canvass against Judge Thurman for Governor, he says: "The very measure which was intended to carry out this policy of Secretary McCulloch to enable him to take up the greenback currency with interest bearing bonds was introduced in Congress in March, 1866. I have here the votes upon that question, and I say to you that the Democratic party in both Houses—all the members of the Democratic party in both Houses—voted for Secretary McCulloch's plan, and that Mr. Julian, Judge Scofield, Mr. Lawrence—all of whom I see here—and myself, a majority of the Republican members voted against the scheme, and it became a law because the minority of the Union party, with the unanimous vote of the Democratic party, supported it, and because, when it was submitted to Andrew Johnson, instead of vetoing it as he did all Union *party* measures, he wrote his name on the 12th of April at the bottom, 'Approaed: Andrew Johnson.' I think, then, I am *authorized* in saying that these gentlemen are mistaken when they accuse the Union party of being in favor of taking up the greenback currency and putting in the place of it interest-bearing, non-taxable bonds."—Howard's Campaign Life of Hayes, p. 206.

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